



GROUNDWATER WEEK
LAS VEGAS, NEVADA • DECEMBER 5-7, 2023

2023

Delegates Meeting Handbook
Las Vegas Convention Center • Las Vegas, Nevada
Wednesday, December 6 - 4:30 to 5:30 p.m.

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Section 1

NGWA Board and Sectional Boards

2023 NGWA Board of Directors

Directs the affairs of the Association on behalf of the membership

BOARD OFFICERS

Jason House, CG, PG (Scientists & Engineers)

President

Woodard & Curran Inc
41 Hutchins Dr
Portland, ME 04102

Blake Talkmitt

VP- Suppliers

Winsupply Lubbock TX Co
2304 120th
Lubbock, TX 79423

David Traut, MGWC, CVCLD (Contractors)

President-Elect

Mark J Traut Wells Inc
141 28th Ave S
Waite Park, MN 56387

Patrick Casarez

VP - Contractors

Patrick Water Well
914 N Washington Ave
Cleveland, TX 77327-3730

Richard Layman, MGWC, CVCLD

Secretary

Pure Water Well Drilling
PO Box 198 / 5429 M 65 South
Lachine, MI 49753

Jeremy Kuhn

VP - Manufacturers

Roscoe Moss Company
1242 E Acoma Dr
Phoenix, AZ 85022

Robert Keyes, CWD

Treasurer

Associated Environmental Industries Corp
PO Box 5300
Norman, OK 73070

Seth Kellogg, PG

VP – Scientists and Engineers

Geosyntec Consultants
49 Dutch Lane
Ringoes, NJ 08551

DIRECTORS

Jeremy Bach (Contractors)

Bach Drilling Company
3340 Wilson Creek Rd
Ellensburg, WA 98926

Seth Kellogg, PG (Scientists & Engineers)

Geosyntec Consultants
49 Dutch Lane
Ringoes, NJ 08551

Matthew Beasley (Suppliers)

Affiliated Distributors Inc
16526 Highland Ave
Montverde, FL 34756

Robert Keyes (Contractors)

Associated Environmental Industries Corp
PO Box 5300
Norman, OK 73070-5300

John Boyette, Jr., CVCLD (Contractors)

Boyette Well & Septic Inc
1109 Nash St NW
Wilson NC 27893-2410

Jeremy Kuhn (Manufacturers)

Roscoe Moss Company
1242 E Acoma Dr
Phoenix, AZ 85022

Patrick Casarez (Contractors)

Patrick Water Well
914 N Washington Ave
Cleveland, TX 77327-3730

Richard Layman, MGWC, CVCLD (Contractors)

Pure Water Well Drilling
PO Box 198 / 6429 M 65 South
Lachine, MI 49753-0198

Chauncey Leggett, CWD/PI (Contractors)
Lake Valley Well Company
248 Fairway Meadows Dr
Tarboro, NC 27886

Timothy K. Parker, PG (Scientists and Engineers)
Parker Groundwater Management
PO Box 221597
Sacramento, CA 95822

James LoCoco (Manufacturers)
Mount Sopris Instrument Co Inc
4975 E 41st Ave
Denver CO 80216-4424

Fred Rothauge, CWD (Contractors)
Hydro Resources
13027 County Rd 18 Unit C
Fort Lupton, CO 80621-9217

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1500 Woodrow Rd, PO Box 249
Slaton, TX 79364

Charles "Buddy" Sebastian, III (Contractors)
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28731 U Dr N
Springport, MI 49284

Rad Massey (Suppliers)
CMC Supply
PO Box 12058
Roanoke, VA 24022

Blake Talkmitt (Suppliers)
Winsupply Lubbock TX Co
2304 120th
Lubbock, TX 79423

PAST PRESIDENT

Brian Snelten, PG
Layne Christensen
721 W Illinois Ave
Aurora, IL 60506

ADVISORS TO THE BOARD

Investments

Nathan Bryan
Ameriprise Financial Services, LLC
6515 Longshore Loop, Ste 400
Dublin, OH 43017

Insurance

Mike Keenan
Sheehan Hutchison Keenan
6805 Avery Muirfield Dr Ste 200
Dublin, OH 43016

Jerry N. Colletti
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31 W 52nd St 23rd Fl
New York, NY 10019

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65 E State St Ste 1800
Columbus, OH 43215-4295

Michael Fickell
FC Wealth Solutions'440 Polaris
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Westerville, OH 43082

Audit

Brent Ardit, CPA
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5775 Perimeter Dr Ste 200
Dublin, OH 43017-3224

STAFF LIAISON

Terry Morse, CAE, CIC
NGWA Chief Executive Officer
601 Dempsey Rd
Westerville, OH 43081-8978

Contractors Section Board of Directors

Patrick Casarez - Chair
Patrick Water Well
914 N Washington Ave
Cleveland, TX 77327

Chauncey Leggett, CWD/PI
Lake Valley Well Co
PO box 1592
Tarboro, NC 27886

Jeremy Bach
Bach Drilling Company
3340 Wilson Creek Rd
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Hydro Resources
13027 County Rd 18 Unit C
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John Boyette, Jr
Boyette Well & Septic Inc
1109 Nash St NW
Wilson NC 27893-2410

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Norman, OK 73070

Brian Snelten, PG (ex-officio)
Layne Christensen
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Aurora, IL 60506-2830

Richard Layman, MGWC, CVCLD - Chair
Pure Water Well Drilling
PO Box 198, 6429 M 65 South
Lachine, MI 49753

David Traut, MGWC, CVCLD
Mark J Traut Wells Inc
141 28th Ave S
Waite Park, MN 56387

Manufacturers Section Board of Directors

James LoCoco - Chair
Mount Sopris Instrument Co Inc
4975 E 41st Ave
Denver, CO 80216-4424

Tim Nelesen
Franklin Electric
9255 Coverdale Rd
Fort Wayne, IN 46809

Eric Macias – Vice Chair
Lorentz US Corp
1500 Woodrow Rd / PO Box 249
Slaton, TX 79364

Chip Nelson
BAUER Equipment America
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Enid, OK 73703

Jeremy Kuhn – Secretary
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Susan O'Grady
Goulds Water Technology
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Seneca Falls, NY 13148-8745

John Kevin McGinnis
Cotey Chemical Corporation
PO Box 2039
Lubbock, TX 79408

Scott Shimer
Pentair Flow Technologies
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Delavan, WI 53115

Scientists and Engineers Section Board of Directors

Seth Kellogg, PG –Chair
Geosyntec Consultants
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Ringoes, NJ 08551

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M&M Inc
992 Frienship Church Rd
Douglasville, GA 30134

Michael Cruikshank
Earth Forensics Inc
22352 Torino
Laguna Hills, CA 92653

R. Jeffrey Davis, PE, CGWP
Barr Engineering
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Alpine, UT 84004

Kevin Finneran, PhD
Clemson University
168 Rich Laboratory/342 Computer Court
Anderson, SC 29631

Greg Fox
Nestle Waters North America
19275 Eight Mile Rd
Stanwood, MI 49346

Shane McDonald, PG
HDR
24 Oak Hill Circle
Malvern, PA 19355

June Mirecki, PhD, PG
Mirecki Geoscience LLC
6471 Fordham Circle East
Jacksonville, FL 32217

Timothy K. Parker, PG – Past Chair
Parker Groundwater Management
PO Box 221597
Sacramento, CA 95822

Suppliers Section Board of Directors

Blake Talkmitt – Chair
Winsupply Lubbock TX Co
2304 120th
Lubbock, TX 79423

Matthew Beasley – Vice-Chair
The Baron Group
16526 Highland Ave
Montverde, FL 34756

Rad Massey - Secretary
CMC Supply
PO Box 12058
Roanoke, VA 24022

Derek Anderson
Drilling Equipment Resources
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Tulsa, OK 74145

Randy Carnes
Preferred Pump & Equipment
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Indianapolis, IN 46217-5129

J Peyton LaBorde
Wholesale Pump & Supply Inc
1324 N Hearne Ave, Ste 300
Shreveport, LA 71170

Dan Collins – Past-Chair
TAM Marketing
PO Box 803531
Dallas, Texas 75380



Section 2

Delegates Meeting Agenda



NGWA Delegates Meeting
Las Vegas Convention Center – Las Vegas, Nevada
Wednesday, December 6, 2023
4:30 to 5:30 p.m.

Our mission

NGWA is a community of groundwater professionals working together to advance groundwater knowledge and the success of our members through education and outreach; advocacy; cooperation and information exchange; and enhancement of professional practices.

Our vision

To be the leading groundwater association that advocates the responsible development, management, and use of water.

MEETING AGENDA

CALL TO ORDER and OPENING REMARKS

4:30 TO 4:32 Jason House, LG, PG, NGWA President

2023 NGWA ANNUAL REPORT, FINANCIAL UPDATE and RECOGNITIONS

4:32 TO 4:45 Jason House, LG, PG

DELEGATES MEETING RULES and ROLL CALL BY STATE TO CONFIRM DELEGATES

4:45 TO 4:55 Richard Layman, MGWC, CVCLD, NGWA Secretary

INTRODUCTION OF 2023 BOARD CANDIDATES

4:55 TO 4:57 Brian Snelten, PG - Chairperson, NGWA Nominating Committee

4:57 TO 4:59 Jeremy Bach

4:59 TO 5:01 Robert Keyes, CWD

5:01 TO 5:03 Chauncey Leggett, CWD/PI

INTRODUCTION OF 2023 MANUFACTURERS SECTION SECRETARY CANDIDATE

5:03 TO 5:05 G. "Chip" Nelson, Jr.

INTRODUCTION OF 2023 SCIENTISTS and ENGINEERS SECTION VICE-CHAIR CANDIDATES

5:05 to 5:07 Michael Cruikshank, PG, CHG

5:07 to 5:09 R. Jeffrey Davis, PE, CGWP

VOTING PROCEDURES AND VOTE

5:09 TO 5:18 Richard Layman, MGWC, CVCLD

- Appoint the Tellers

- Election of NGWA Directors and Sectional Officers

PARTING REMARKS/GAVEL EXCHANGE

5:19 TO 5:21 Jason House, LG, PG

INCOMING REMARKS

5:22 TO 5:25 David Traut, MGWC, CVCLD - Incoming NGWA Board President

RESULTS OF DIRECTOR VOTING

5:26 TO 5:28 David Traut, MGWC, CVCLD

OTHER MATTERS BEFORE DELEGATES AND TIME ADJUSTMENTS

5:28 TO 5:30 David Traut, MGWC, CVCLD

ADJOURNMENT

5:30 David Traut, MGWC, CVCLD



Section 3

Delegates Worksheet

2023 NGWA Board of Delegates Worksheet

State/Province	Delegates	Delegates Present
Alabama	4	
Alaska	4	
Arizona	12	
Arkansas	2	
British Columbia	6	
California	42	
Colorado	22	
Connecticut	7	
Delaware	2	
Florida	19	
Georgia	9	
Hawaii	1	
Idaho	8	
Illinois	12	
Indiana	10	
Iowa	4	
Kansas	6	
Kentucky	4	
Louisiana	4	
Maine	5	
Maryland	10	
Massachusetts	12	
Michigan	16	
Minnesota	13	
Mississippi	5	
Missouri	5	
Montana	10	
Nebraska	10	
Nevada	5	
New Hampshire	5	
New Jersey	17	
New Mexico	9	
New York	22	
North Carolina	13	
North Dakota	2	
Ohio	19	
Oklahoma	8	
Ontario	10	
Oregon	9	
Pennsylvania	24	
Rhode Island	2	
Saskatchewan	1	
South Carolina	7	
South Dakota	2	
Tennessee	8	
Texas	39	
Utah	8	
Vermont	4	
Virginia	12	
Washington	14	

2023 NGWA Board of Delegates Worksheet

West Virginia	2	
Wisconsin	9	
Wyoming	6	
Total State/Provincial Delegates	521	

Final count determined October 6, 2023.

Section	Delegates	Delegates present
NGWA Officers	8	
Manufacturers Section	10	
Scientists and Engineers Section	10	
Suppliers Section	10	
NGWA Past Presidents	33	
Total Sectional Delegates	71	

Only NGWA Executive Committee officers are automatically delegates. Other members of the NGWA Board may serve as delegates from their section, state, or nation.

Country	Delegates	Delegates present
Australia	4	
Canada	7	
Germany	1	
India	1	
Italy	1	
New Zealand	1	
Spain	1	
United Kingdom	1	
Total International Delegates	17	

The presence of delegates for the international countries listed above qualifies as found in Article VI: Section 1 of the NGWA Code of Regulations. Final count determined October 6, 2023.



Section 4

Delegates Meeting Rules



DELEGATES MEETING RULES

NGWA Policy #10222021b

Drafted, June 22, 2012, NGWA Staff

Approved by NGWA Board of Directors, July 18, 2012

Updated December 22, 2015 per Code of Regulations changes approved by the Delegates December 17, 2015

Updated December 18, 2016 per Code of Regulations changes approved by the Delegates on December 7, 2016.

Approved by NGWA Board on October 21, 2021.

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Purpose

To ensure maximum participation of the delegates of the National Ground Water Association and the accurate completion of the voting process of the delegates.

General Procedures

1. Delegates will be voting on substance. Decisions as to whether motions are substantive or not will be at the chairman of the meeting's discretion.
2. Seating in the "Delegates Area" will be by state or other officially designated groups in accordance with the NGWA Code of Regulations and will be limited to those who have qualified as delegates. Only those qualified delegates may vote.
3. Alternates may vote as delegates in case of a delegate's absence or to complete an affiliated organizations or sections quota. Before voting, an alternate must move to the delegate area after having been duly qualified in accordance with the Code of Regulations. If substituting for a delegate who is temporarily absent, the alternate must relinquish his/her seat and leave the delegate area when the delegate returns.
4. A section of the room will be set aside for observers. Observers are welcomed but will not be permitted to vote in any voting process.
5. Voting will be done by voice, a show of hands, or paper or electronic ballot. Only those duly qualified delegates may vote. A roll call of affiliated organizations, sections and designated groups will be taken at the beginning of the delegates meeting.
6. Delegates who wish to speak will be recognized in the order in which they line up at the floor microphone. The chair may limit debate on any motion to a specific duration as necessary to permit completion of the agenda.
7. Motions contained in the delegates meeting agenda will be considered at the delegates meeting. Additional motions will be permitted on the floor only if, in the opinion of the chair, they directly relate to the business currently being considered by the board of delegates, and if time permits.
8. Items on the agenda requiring delegate action will be voted on in their entirety. Any duly qualified delegate may move to have a motion/issue removed from the agenda for substantive reasons.

9. The meeting secretary will appoint, from the recognized delegates at the meeting, a committee between seven to nine members to review and approve the minutes of the delegates meeting. This committee shall complete its work based upon a simple majority of those members of the committee present at the time the meeting is convened, including by appropriate communications technology, i.e., e-mail or facsimile. This committee is to complete its work within 10 business days of the adjournment of the delegates meeting. The committee shall file a report of its action with the NGWA executive director and the current NGWA president who shall cause to have this same report published in the following year's delegate's handbook.
10. These rules shall be published in the annual delegates' handbook.

Voting Procedures

1. Ballots for the election of directors and/or issues shall be prepared in advance for distribution at the proper time.
2. Each candidate or issue shall appear on the ballot with a list of the possible answers besides blank spaces or boxes, so that the voter can check the answer he desires.
3. Two or more candidates or issues can be listed on the same ballot sheet, provided each is marked in such a way there can be no confusion.
4. The Secretary of the NGWA Board of Directors shall appoint tellers to oversee the election process. Should the Secretary himself be a candidate for election then the President of the NGWA Board of Directors shall appoint the tellers.
5. The number of tellers shall not be less than five (5), nor more than ten (10).
6. One of the tellers shall be appointed the chairman of the tellers. The chairman of the tellers shall oversee the work of the other tellers and shall report the results of their work to the Secretary, or the President, as appropriate.
7. The tellers shall be chosen for accuracy and dependability, should have the confidence of the membership, and should not have a direct personal involvement in the question or the result of the vote.
8. The Secretary or the NGWA President, as appropriate, will direct the delegates to pass the ballots down the row to a teller who shall collect the ballots for counting. Tellers shall observe the passing of ballots to ensure the validity of the voting process.
9. When everyone appears to have voted the Secretary or the NGWA President, as appropriate, shall inquire of the delegates, "Have all voted who wish to do so?" If there is no response, he says, "If no one else wishes to vote... [pause], the polls are closed."
10. Tellers will oversee the counting of the ballots.
11. Tellers shall verify that there are not more ballots than eligible electors. Should the number of ballots exceed the eligible number of electors then the chairman of the tellers must immediately report this condition to the Secretary or the President.
12. In recording the votes cast, blank ballots will be ignored.
13. Each segment of a ballot is treated as if it was a separate ballot, and the tellers must count the number of votes cast for each office or issue.
14. The chairman of the tellers shall inform the Secretary or the President, as appropriate, with the names of the winning candidate or candidates and if the majority votes in favor or against an issue but will not disclose the number of votes received by a winning candidate or in rendering the decision of an issue.
15. The Secretary, or the President, as appropriate, shall declare the election after reading the tellers' report aloud to the delegates.
16. After completion of an election or balloting on a motion, the ballot can be ordered by a floor motion, second and majority approval of the delegates to be destroyed; or to be filed for thirty (30) days with the Secretary or the President, as appropriate, before being destroyed.



Section 5

2022 Delegates Meeting Minutes



2022 Minutes
NGWA Board of Delegates Meeting
Las Vegas Convention Center - Las Vegas, Nevada
Wednesday, December 7, 2022
5:00 p.m. to 6:00 p.m.

Call to Order

NGWA President Brian Snelten, PG called the meeting to order.

2022 Annual Report and Financial Update

Terry Morse, CAE, CIC, NGWA Chief Executive Officer, shared a video presentation highlighting 2022 accomplishments and an overview of financials.

Opening Remarks

NGWA President Brian Snelten convened the meeting and welcomed the delegates. Following his opening remarks, President Snelten recognized NGWA’s Past Presidents, current NGWA Board members, and volunteers. NGWA Secretary David Traut, MGWC, CVCLD then reviewed the Delegates Meeting Rules included in the *Delegates Handbook*.

Delegates Roll Call

Secretary Traut called the roll of delegates. Eligible delegates and those present were as follows:

State/Province	Delegates	Delegates Present
Alabama	5	0
Alaska	4	4
Arizona	14	4
Arkansas	3	0
British Columbia	5	0
California	42	12
Colorado	21	5
Connecticut	6	3
Delaware	1	0
Florida	19	2
Georgia	9	0
Hawaii	1	0
Idaho	6	6
Illinois	12	8
Indiana	11	3
Iowa	4	0
Kansas	6	2
Kentucky	4	2
Louisiana	4	3
Maine	6	3
Maryland	10	1
Massachusetts	11	1
Michigan	16	6
Minnesota	13	6
Mississippi	5	1
Missouri	5	0
Montana	9	1
Nebraska	9	2
Nevada	5	4
New Hampshire	6	1
New Jersey	15	3
New Mexico	10	2
New York	24	1
North Carolina	14	12

North Dakota	2	1
Ohio	19	1
Oklahoma	7	5
Ontario	11	1
Oregon	9	9
Pennsylvania	25	0
Rhode Island	2	0
Saskatchewan	1	0
South Carolina	8	1
South Dakota	3	0
Tennessee	8	0
Texas	38	38
Utah	6	6
Vermont	4	2
Virginia	12	0
Washington	15	10
West Virginia	1	0
Wisconsin	10	3
Wyoming	6	6
Total State/Provincial Delegates	522	181

Final count determined October 7, 2022.

Section	Delegates	Delegates Present
NGWA Officers**	8	5
Manufacturers Section	10	3
Scientists and Engineers Section	10	8
Suppliers Section	10	3
NGWA Past Presidents	33	13
Total Sectional Delegates	71	32

** Only NGWA Executive Committee officers are automatically delegates. Other members of the NGWA Board may serve as delegates from their section, state, or nation.

Country***	Delegates	Delegates Present
Australia	4	0
Belgium	1	0
Brazil	1	0
Canada	7	0
Germany	1	0
India	2	0
Italy	1	0
Mexico	1	0
New Zealand	1	0
Peru	1	0
Spain	1	0
United Kingdom	1	0
Total International Delegates	21	0
Total Eligible Delegates	614	213

*** The presence of delegates for the international countries listed above qualifies as found in Article VI: Section 1 of the NGWA Code of Regulations. Final count determined October 7, 2022.

Secretary Traut duly verified the list of delegates.

Introduction of the 2022 Candidates

Secretary Traut called NGWA Nominating and Leadership Development Chairman Merritt Partridge to the podium to introduce the 2022 NGWA Board of Director candidates and the 2022 Suppliers Section Vice Chair and Secretary candidates.

Partridge introduced the five candidates who were running for three board vacancies. Candidates included: John Boyette, Jr., CVCLD; Travis Denevan; William McPike, Sr.; Fred Rothauge, CWD; and Charles "Buddy" Sebastian, III. A motion was made for nominations from the floor. Hearing none, the slate of board candidates was approved.

Partridge then introduced the candidate for the open Suppliers Section Vice Chair candidate Matthew Beasley and Secretary candidate Rad Massey. A motion was made for nominations from the floor. Hearing none, the slate of candidates was approved.

Voting Procedures and Vote

Secretary Traut invited the tellers to distribute the ballots. After the ballots were collected, the ballots were scanned in the meeting room to count the votes. Tellers included: Harold Albrecht, MGWC; Scott Fowler, CWD/PI; David Henrich, CWD/PI; Jeffrey Williams, MGWC/CVCLD; Richard Thron, MGWC, NGWAF; and Steven Greenwood.

Parting Remarks/Gavel Exchange

President Snelten gave his parting remarks and thanked everyone for their hard work and contributions during his tenure as president. President Snelten then passed the gavel to President-Elect Jason House, LG, PG. President-Elect House accepted the gavel and greeted the delegates.

Results of Director Voting and Amendment

President House congratulated the elected NGWA board members: Boyette, Rothauge and Sebastian, Suppliers Section Vice Chair Beasley, and Suppliers Section Secretary Massey. A motion was made and properly seconded to destroy the ballots.

Other Matters before the Delegates

President House opened the floor to any outstanding matters. None were raised.

Adjournment

The meeting adjourned.



Section 6

NGWA Financial Statements

National Ground Water Association, Inc. and Affiliates

Audited Consolidated Financial Statements

As of and for the Years Ended
December 31, 2022 and 2021



Rea & associates

www.reacpa.com

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Ground Water Association, Inc. and Affiliates
Westerville, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of National Ground Water Association, Inc. and Affiliates (collectively the "Association"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2022 and 2021, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
September 11, 2023

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,003,504	\$ 3,800,226
Marketable securities, at fair value	8,553,720	8,356,737
Receivables, net	484,635	439,446
Inventory	53,048	55,042
Prepaid expenses	183,100	125,397
Total current assets	<u>12,278,007</u>	<u>12,776,848</u>
PROPERTY AND EQUIPMENT, net	507,482	492,852
DEPOSITS	6,320	9,311
Total assets	<u>\$ 12,791,809</u>	<u>\$ 13,279,011</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 142,136	\$ 453,528
Accrued expenses	264,600	312,374
Deferred revenue	1,479,725	1,415,326
Total current liabilities	<u>1,886,461</u>	<u>2,181,228</u>
NET ASSETS:		
Without donor restrictions	9,955,721	9,952,967
With donor restrictions	949,627	1,144,816
Total net assets	<u>10,905,348</u>	<u>11,097,783</u>
Total liabilities and net assets	<u>\$ 12,791,809</u>	<u>\$ 13,279,011</u>

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Membership dues	\$ 1,402,968	\$ -	\$ 1,402,968
Convention and exposition	2,495,004	-	2,495,004
Course and conference registration	223,807	-	223,807
Books and proceedings	70,206	-	70,206
Advertising and related revenues	956,060	-	956,060
Grant revenue	276,976	51,888	328,864
Royalties	229,602	-	229,602
Other revenue and support	335,576	1,600	337,176
Contributions	44,347	163,402	207,749
Net assets released from restrictions	300,085	(300,085)	-
Total revenue and support	6,334,631	(83,195)	6,251,436
EXPENSES:			
Program services	3,779,495	-	3,779,495
Management and general	1,488,814	-	1,488,814
Total expenses	5,268,309	-	5,268,309
Change in net assets before other income (expense)	1,066,322	(83,195)	983,127
OTHER INCOME (EXPENSE):			
Investment (loss) income, net of fees	(1,315,058)	(118,452)	(1,433,510)
Interest income	251,490	6,458	257,948
Total other income (expense)	(1,063,568)	(111,994)	(1,175,562)
Change in net assets	2,754	(195,189)	(192,435)
NET ASSETS, beginning of the year	9,952,967	1,144,816	11,097,783
NET ASSETS, end of the year	<u>\$ 9,955,721</u>	<u>\$ 949,627</u>	<u>\$ 10,905,348</u>

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Membership dues	\$ 1,361,046	\$ -	\$ 1,361,046
Convention and exposition	1,868,355	-	1,868,355
Course and conference registration	272,187	-	272,187
Books and proceedings	60,042	-	60,042
Advertising and related revenues	933,005	-	933,005
Grant revenue	516,689	-	516,689
Royalties	220,528	-	220,528
Other revenue and support	335,783	-	335,783
Contributions	125,601	213,500	339,101
Net assets released from restrictions	35,634	(35,634)	-
Total revenue and support	5,728,870	177,866	5,906,736
EXPENSES:			
Program services	3,157,658	-	3,157,658
Management and general	1,472,911	-	1,472,911
Total expenses	4,630,569	-	4,630,569
Change in net assets before other income (expense)	1,098,301	177,866	1,276,167
OTHER INCOME (EXPENSE):			
Investment income, net of fees	671,449	83,452	754,901
Interest income	217,473	-	217,473
Net gain on sale of property and equipment	11,974	-	11,974
Income tax expense	(51)	-	(51)
Total other income (expense)	900,845	83,452	984,297
Change in net assets	1,999,146	261,318	2,260,464
NET ASSETS, beginning of the year	7,953,821	883,498	8,837,319
NET ASSETS, end of the year	<u>\$ 9,952,967</u>	<u>\$ 1,144,816</u>	<u>\$ 11,097,783</u>

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
FUNCTIONAL EXPENSES:			
Salaries and wages	\$ 903,111	\$ 638,950	\$ 1,542,061
Payroll taxes and benefits	154,403	207,582	361,985
Program management fees	381,758	-	381,758
Professional fees	417,588	76,037	493,625
Independent contractors	110,024	4,504	114,528
Advertising and promotion	89,612	22,970	112,582
Office expenses	348,526	226,053	574,579
Occupancy and rent	-	77,290	77,290
Travel	111,611	54,388	165,999
Conferences and meetings	872,161	-	872,161
Insurance	59,338	68,612	127,950
Depreciation	-	50,370	50,370
Dues / subscriptions	21,537	18,626	40,163
Outside services	63,348	21,911	85,259
Other	31,793	21,498	53,291
Credit card fees	213,685	23	213,708
Scholarship grants	1,000	-	1,000
Total functional expenses	<u>\$ 3,779,495</u>	<u>\$ 1,488,814</u>	<u>\$ 5,268,309</u>

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
FUNCTIONAL EXPENSES:			
Salaries and wages	\$ 799,835	\$ 700,008	\$ 1,499,843
Payroll taxes and benefits	165,906	160,641	326,547
Program management fees	189,134	-	189,134
Professional fees	524,848	100,718	625,566
Independent contractors	131,325	-	131,325
Advertising and promotion	64,282	9,567	73,849
Office expenses	390,054	206,054	596,108
Occupancy and rent	-	73,759	73,759
Travel	109,640	17,856	127,496
Conferences and meetings	617,251	13	617,264
Insurance	38,646	69,773	108,419
Depreciation	-	59,376	59,376
Dues / subscriptions	34,270	4,529	38,799
Outside services	8,004	35,135	43,139
Other	6,052	35,482	41,534
Credit card fees	70,411	-	70,411
Scholarship grants	8,000	-	8,000
Total functional expenses	<u>\$ 3,157,658</u>	<u>\$ 1,472,911</u>	<u>\$ 4,630,569</u>

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (192,435)	\$ 2,260,464
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	50,370	59,376
Gain on sale of property and equipment	-	(11,974)
Net realized and unrealized losses (gains) on marketable securities	1,433,510	(754,901)
(Increase) decrease in operating assets:		
Receivables	(96,369)	(33,921)
Inventory	1,994	-
Prepaid expenses	(57,703)	47,530
Deposits	2,991	-
(Decrease) increase in operating liabilities:		
Accounts payable	(260,212)	456,086
Accrued expenses	(47,774)	167,050
Deferred revenue	64,399	(220,018)
Net cash provided by operating activities	898,771	1,969,692
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for the purchase of property and equipment	(65,000)	(47,081)
Proceeds from the sale of property and equipment	-	23,289
Payments for the purchase of marketable securities	(12,088,536)	(24,890,938)
Proceeds from the sale or maturity of marketable securities	10,458,043	24,904,675
Net cash (used in) investing activities	(1,695,493)	(10,055)
Net increase (decrease) in cash and cash equivalents	(796,722)	1,959,637
CASH AND CASH EQUIVALENTS, beginning of the year	3,800,226	1,840,589
CASH AND CASH EQUIVALENTS, end of the year	<u>\$ 3,003,504</u>	<u>\$ 3,800,226</u>

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The National Ground Water Association, Inc. (“NGWA”) provides professional and technical leadership through education, publications, and expositions promoting the advancement of the ground water industry and the protection and responsible development of ground water resources.

Principles of Consolidation

These consolidated financial statements include the accounts of NGWA, its wholly-owned subsidiary, and two affiliated entities (collectively, the “Association”). The Association is required to consolidate the majority-owned subsidiary, even though this entity has nonhomogeneous operations. The term affiliate includes an entity that directly or indirectly controls or is under common control with another entity. All significant intercompany accounts and transactions have been eliminated during consolidation. These consolidated financial statements include accounts of:

- The National Ground Water Insurance Agency, Inc. (“NGWIA”), a wholly-owned subsidiary of the National Ground Water Association which is a provider of insurance to the ground water industry.
- The Ground Water Foundation (“Foundation”), a 501(c)(3) tax-exempt charity focused on conducting educational, research, and other charitable activities related to a broader public understanding of ground water.

Subsequent to year end, National Ground Water Association established NGWA Business Pro, LLC (“Business Pro”), a wholly-owned subsidiary of the National Ground Water Association.

Basis of Accounting and Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America and the Accounting Standards Codification for Not-for-Profit Organizations issued by the Financial Accounting Standards Board (the “FASB”). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions and the nature of those restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Association reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

UPMIFA, ASC 958-205, and Endowment Funds

Endowment funds are subject to the restrictions of gift instruments, which require that the principal be invested in perpetuity. Income, expenses, and realized and unrealized gains and losses of the endowment funds are classified as net assets without donor restrictions.

The Association accounts for endowment gifts under either donor stipulations or Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). From time to time, due to unfavorable market fluctuations, the fair value of the assets associated with individual donor restricted endowment funds may fall below the level that donors provided. In accordance with generally accepted accounting principles, the difference between the fair value of the fund and the amounts provided by the donor are reported as net assets without donor restrictions.

The Association’s investment policy attempts to provide a predictable stream of funding to programs supported by operations. Endowment assets include those assets with donor restrictions that the Association must hold in perpetuity. Assets are invested in a manner that is intended to produce results that meet or exceed the respective benchmark while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation to achieve its long-term return objectives with prudent risk constraints.

The Board has interpreted UPMIFA as seeking over the long-term, the preservation of the fair value of the original gift as of the gift date of the endowment funds with donor restrictions, absent explicit donor stipulation to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of any subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the permanent endowment fund that is not classified as net assets with donor restrictions are classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence described by UPMIFA.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate endowment funds with donor restrictions:

- The duration and preservation of the fund
- The Association’s purpose and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Association
- The Association’s investment policies

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Marketable Securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value within the statements of financial position. Net realized and unrealized gains and losses are to be reported within the statement of activities and change in net assets as increases or decreases in net assets without donor restriction, unless their use is restricted by explicit donor stipulations.

Receivables

Substantially all of the Association's trade receivables result from course fees, advertisement sales, and uncollected grant revenue for Well Inspector Training. Receivables are carried at original invoice amount and are presented net of an allowance for doubtful accounts. Management provides for doubtful accounts through a provision for bad debt expense and an adjustment to a valuation allowance, based on its assessment of the current status of individual receivables. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as revenue and support when received. Allowance for doubtful accounts was \$33,921 and \$44,921 as of December 31, 2022 and 2021, respectively. The Association had \$0 in bad debt expense for the years ended December 31, 2022 and 2021. Opening net receivable balance as of January 1, 2021, was \$456,811.

Inventory

Inventory consists of merchandise, primarily publications, and is stated at the lower of cost (as determined by the average cost method) or net realizable value.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and are depreciated by the straight-line method over the estimated useful life of the assets, ranging from 5 to 40 years. The Association follows the practice of capitalizing all expenditures for assets of \$1,000 or greater. Betterments and improvements that extend the life of the assets are capitalized. Other maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in other income.

Advertising Costs

The Association expenses advertising costs as they are incurred. For the years ended December 31, 2022 and 2021, advertising expenses were \$111,546 and \$73,698, respectively.

Federal Income Taxes

NGWA is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain unrelated business income is taxable. NGWIA is a for-profit corporation and is subject to federal income taxes.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes (Continued)

The Association follows the liability method of accounting for income taxes. The liability method provides that deferred tax assets and liabilities are recorded based on the difference between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. There were no differences during the years ended December 31, 2022 and 2021.

Generally accepted accounting principles requires the Association to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying consolidated statements of financial position along with interest and penalties that would be payable to the taxing authorities upon examination. The Association believes that none of the tax positions taken would materially impact the consolidated financial statements, and no such liabilities have been recorded.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Allocation of Expenses

Certain expenses are allocated to programs based on occupancy or direct staff labor. Accordingly, certain costs have been allocated among the programs benefited.

Related Parties

Management utilizes members of their immediate family for consulting and project work. Payments to these individuals totaled \$34,165 and \$14,858 for the years ended December 31, 2022 and 2021, respectively.

Adoption of New Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-02, "Leases (Topic 842)," which specifies the accounting for leases. The objective is to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing and uncertainty of cash flows arising from a lease. This ASU introduces the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous guidance. The guidance was effective for annual reporting periods beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. The adoption of the guidance did not have a material impact on the Association.

Revenue Recognition and Deferred Revenue

Effective with the adoption of Topic 606, the Association recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Association expects to receive in exchange for those goods or services.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue (Continued)

To determine revenue recognition for the arrangements that the Association determines are within the scope of Topic 606, the Association performs the following five steps:

- Identify the contract(s) with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from Contracts with Customers

Revenue from contracts with customers, which are individually listed on the statements of activities include Conventions and Courses, Membership Dues, Advertising, Other Revenue and Support, and Royalties. All of these items have been determined to be recognized over time or at a point in time, as described below.

Conventions and Courses

The Association holds an annual convention and various courses throughout the year in which registration and sponsorship revenue is collected. The receipt of registration and sponsorship dues are deferred and recognized at the time the related convention or course is held.

Membership Dues

Membership dues represent amounts charged by the Association to members for the general rights of membership, representing and creating a network of members, and providing access to valuable training and information. Although the Association does not execute a contract with its members, management considers payment of annual dues or fees, based on prices determined by the Association, to constitute member acceptance of the offered benefits. Management expects to collect all amounts invoiced, therefore, management does not reserve for amounts recognized during the year for invoiced but unpaid member dues. The receipt of membership dues and fees are deferred and recognized as revenue ratably over the membership period.

Advertising

Advertising revenue represents income from the sale of advertising space in the Association's monthly journal. The receipt of advertising payments are deferred and recognized at the time the related journal is published.

Other Revenue and Support

Other revenue and support primarily relates to the fee charge for the administration of state associations. The receipt of state administration dues are recognized over the course of the administration contract.

Royalties

The Association receives royalty payments related to the publishing of the Association journals. Quarterly payments are received and recognized at the time the related journal is published.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Association receives contributions from individuals, corporations, foundations, and other charitable organizations. Contributions and gifts are recognized as revenues at fair value at the date of the donor's unconditional promise to give. These contributions and gifts are considered to be available for unrestricted use, unless specifically restricted by the donor. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Subsequent Events

Subsequent events have been evaluated through September 11, 2023, which is the date the financial statements were available to be issued.

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk - Cash Deposits

The Association maintains its cash and cash equivalent balances in financial institutions located in Ohio. Deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a coverage limit of \$250,000 at each FDIC-insured depository institution. As a result, the Association may have balances that exceed the insured limit.

Investments

As of December 31, 2022, the Association's investment portfolio consisted of mutual funds, stocks, bonds, and exchange-traded funds. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

NOTE 3: INVESTMENTS

Investments held by the Association consist of the following as of December 31, 2022:

	Cost	Net Unrealized Gains / Losses Since inception	Fair Value
Common stock	\$ 3,762,895	\$ (316,846)	\$ 3,446,049
Mutual funds	5,622,531	(522,949)	5,099,582
Corporate bonds	10,914	(2,825)	8,089
Total investments	<u>\$ 9,396,340</u>	<u>\$ (842,620)</u>	<u>\$ 8,553,720</u>

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: INVESTMENTS (CONTINUED)

Investments held by the Association consist of the following as of December 31, 2021:

	Cost	Net Unrealized Gains / Losses	Fair Value
Common stock	\$ 2,837,558	\$ 32,217	\$ 2,869,775
Mutual funds	4,638,447	301,597	4,940,044
Preferred stock	24,705	13,082	37,787
Corporate bonds	465,294	43,837	509,131
Total investments	<u>\$ 7,966,004</u>	<u>\$ 390,733</u>	<u>\$ 8,356,737</u>

The net carrying value and estimated fair value of debt securities, by contractual maturity are shown below. Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

Fair Value and Amortized Cost as of December 31, 2022

	Fair Value			
	Within 1 Year	1 – 5 Years	5 – 10 Years	After 10 Years
Corporate debt securities	\$ -	\$ 4,952	\$ 3,137	\$ -

	Amortized Cost			
	Within 1 Year	1 – 5 Years	5 – 10 Years	After 10 Years
Corporate debt securities	\$ -	\$ 5,994	\$ 4,920	\$ -

NOTE 4: FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820-10-65, investments are measured at fair value based on level 1, 2, or 3 inputs. Generally accepted accounting principles established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. The assets listed at fair value are displayed on the statements of financial position as "marketable securities" and include the following:

Common stock, preferred stock, and corporate bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds and structured products: Valued at the net asset value ("NAV") of shares held by the Association at year end as quoted on the active market.

The table below presents the fair value hierarchy of the Association's assets as of December 31, 2022 and 2021:

Assets at Fair Value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock	\$ 3,446,049	\$ -	\$ -	\$ 3,446,049
Mutual funds	5,099,582	-	-	5,099,582
Corporate bonds	8,089	-	-	8,089
Total assets at fair value	<u>\$ 8,553,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,553,720</u>

Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock	\$ 2,869,775	\$ -	\$ -	\$ 2,869,775
Mutual funds	4,940,044	-	-	4,940,044
Preferred stock	37,787	-	-	37,787
Corporate bonds	509,131	-	-	509,131
Total assets at fair value	<u>\$ 8,356,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,356,737</u>

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2022	2021
Land	\$ 70,000	\$ 70,000
Building and improvements	955,700	955,700
Furniture and equipment	397,145	397,145
Vehicles	47,081	47,081
Software – Business Pro	65,000	-
	<u>1,534,926</u>	<u>1,469,926</u>
Less: accumulated depreciation	<u>(1,027,444)</u>	<u>(977,074)</u>
	<u>\$ 507,482</u>	<u>\$ 492,852</u>

NOTE 6: NET ASSETS WITH DONOR RESTRICTION

Henry Darcy Distinguished Lecture Series in Ground Water Science

The Henry Darcy Distinguished Lecture Series was established in 1986 to foster interest and excellence in ground water science and technology. Amounts to be expended shall be requested annually, subject to such annual limits.

William A. McElhiney Distinguished Lecture Series in Water Well Technology

The William A. McElhiney Distinguished Lecture Series in Water Well Technology was established in 2000 to help enhance the skills and credibility of all ground water professionals and to develop and exchange industry knowledge.

USA Groundwater Fund

The USA Groundwater Fund was established to help meet groundwater needs in the United States. The fund has a three part purpose: education and training of groundwater professionals; public education and awareness; and to help fund the drilling or repair of water wells for needy families.

Len Assante Scholarship Fund

The Len Assante Scholarship Fund was established in 2002 to award scholarships to advance young people in ground water-related fields.

Franklin Projects Fund

The Franklin Projects Fund was established in 2018. Funds are to be used on projects requested by the donor.

Sponsor a Classroom Fund

The Sponsor a Classroom Fund was established in 2021 to allow individuals to sponsor a classroom to provide access to the National Ground Water Association awesome aquifer kits.

National Ground Water University Fund: Drilling Basics

The National Ground Water University Drilling Basics was established in 2021 to raise money for the development of the NGWA University Drilling Basics online program in connection with Oklahoma State University. The fund aims to address the critical shortfall of geoscience workers and improve access to groundwater essential for people around the world.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

Farvolden Scholarship Fund

The Farvolden Scholarship Fund was established in 2004 to award scholarships to advance young people in ground water-related fields.

NOTE 7: DEFERRED REVENUE

Deferred revenue consists of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Membership dues	\$ 877,635	\$ 862,487
Subscription revenue	5,733	6,070
Advertising and conference revenue	587,431	538,071
Revenue collected for other programs	8,926	8,698
Total deferred revenue	<u>\$ 1,479,725</u>	<u>\$ 1,415,326</u>

The following table provides information about significant changes in deferred revenues for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of the year	\$ 1,415,326	\$ 1,635,344
Revenue recognized that was included in deferred revenue at the beginning of the year	(1,415,326)	(1,635,344)
Increase in deferred revenue due to cash received during the year	<u>1,479,725</u>	<u>1,415,326</u>
Deferred revenue, end of the year	<u>\$ 1,479,725</u>	<u>\$ 1,415,326</u>

NOTE 8: RETIREMENT PLAN

The Association sponsors a profit sharing and 401(k) plan covering substantially all employees 21 years of age and older. Plan assets are held by a third party custodian who serves as plan administrator. Funds are maintained in individual participant directed investment accounts. The 401(k) plan provides for contributions to be paid by the Association in such amounts determined by management. The contributions are based on a percentage of each participant's compensation. Participants may make elective contributions to the Plan. During the years ended December 31, 2022 and 2021, the Association contributed \$60,340 and \$47,923, respectively.

NOTE 9: INCOME TAX

As of December 31, 2022 and 2021, NGWA was not subject to any unrelated business income tax. Accordingly, the information presented represents the income tax expense of the for-profit entities consisting of NGWIA.

The net loss for NGWIA as of December 31, 2022 and 2021, was \$40 and \$1,530, respectively. As a result, there was no deferred tax expense or benefit as of the years ended December 31, 2022 and 2021.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: INCOME TAX (CONTINUED)

Deferred income taxes reported on the consolidated statements of financial position result from temporary differences in reporting certain deductions for income tax versus financial accounting purpose. The net deferred tax asset or liability reflects management’s estimate of the amount that will be realized from future profitability, which can be predicted with reasonable certainty.

NOTE 10: PUBLISHING AGREEMENT

In July 2005, the Association entered into a publishing agreement for the production, publishing, and distribution of the Ground Water and Ground Water Monitoring and Remediation Journals. The initial publishing agreement was a three-year agreement terminated by not less than twelve months’ notice in writing by either party. The Association has entered into multiple amendments since the original agreement expired in 2008, with the latest amendment signed in 2014. The amendment extended the term through 2020 and included a provision for automatic renewal for an additional three-year term unless either party shall give notice to the other party at least six months prior to the expiration of the lease. Total royalty revenue under the publishing agreement was \$229,602 and \$220,528 for the years ended December 31, 2022 and 2021, respectively. Future royalty payments are based on a percentage of net receipts received by the Publisher.

NOTE 11: CONTRACTUAL OBLIGATIONS

The Association has entered into agreements with several hotels and conference centers to reserve guest rooms, meeting rooms, and food service for conferences, seminars, and meetings to be held in subsequent years. Each contract has its own timetable and cancellation penalty for each service. Below are the possible cancellation liabilities from these contracts.

Location	Date	Total
Westgate Hotel	December 2023	\$ 229,884
Las Vegas Convention Center	December 2023	142,000
Las Vegas Convention Center	December 2024	142,000
New Orleans Convention Center	December 2025	76,000
Hilton New Orleans Riverside	December 2025	280,360
		\$ 870,244

NOTE 12: LIQUIDITY AND FUNDS AVAILABLE

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of December 31, 2022, because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by the Board for growth and sustainability of the Association that could be drawn upon if the Board approves the action. The Association's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12: LIQUIDITY AND FUNDS AVAILABLE (CONTINUED)

Financial Assets:	
Cash and cash equivalents	\$ 3,003,504
Receivables, net	484,635
Marketable securities	8,553,720
Financial assets, at year-end	<u>12,041,859</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Restriction by donor with purpose restrictions	949,627
Board designations:	-
	<u>949,627</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 11,092,232</u></u>

Liquidity Policy:

As part of the Association's liquidity management, it maintains a sufficient level of operating cash and short-term investments to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 13: GOVERNMENT ASSISTANCE

Paycheck Protection Program

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was passed on March 27, 2020 in response to COVID-19. The Paycheck Protection Program (“PPP”) was formed as part of the CARES Act and allowed certain entities to apply for aid in the form of forgivable term loans. The Association entered into a note payable agreement with a bank under the PPP. The unsecured note had a principal amount of \$356,077 and was set to mature in February 2026.

Management elected to apply Accounting Standards Codification (“ASC”) 958-605 to the funds earned as part of the PPP as it has high confidence that the Association is an eligible recipient and met conditions for forgiveness of the loan. During the year ended December 31, 2021, the outstanding balance of the loan was forgiven.

Employee Retention Credit

During the year ended December 31, 2022, the organization determined it was eligible to receive Employee Retention Credit (“ERC”) government assistance in the amount of \$238,614, all of which was received during 2022. The amount was recorded to grant revenue in the statement of activities for the year ended December 31, 2022.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

	National Ground Water Association, Inc.	National Ground Water Insurance Agency, Inc.	The Ground Water Foundation	Eliminations	Combined and Consolidated Total
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 2,704,550	\$ -	\$ 298,954	\$ -	\$ 3,003,504
Marketable securities, at fair value	6,768,761	-	1,784,959	-	8,553,720
Receivables, net	1,361,706	1,223,739	73,730	(2,174,540)	484,635
Inventory	53,048	-	-	-	53,048
Prepaid expenses	179,100	4,000	-	-	183,100
Total current assets	<u>11,067,165</u>	<u>1,227,739</u>	<u>2,157,643</u>	<u>(2,174,540)</u>	<u>12,278,007</u>
PROPERTY AND EQUIPMENT, net	507,482	-	-	-	507,482
INVESTMENT IN SUBSIDIARY	1,227,392	-	-	(1,227,392)	-
DEPOSITS	6,320	-	-	-	6,320
Total assets	<u>\$ 12,808,359</u>	<u>\$ 1,227,739</u>	<u>\$ 2,157,643</u>	<u>\$ (3,401,932)</u>	<u>\$ 12,791,809</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES:					
Deferred revenue	\$ 1,469,725	\$ -	\$ 10,000	\$ -	\$ 1,479,725
Accounts payable	1,365,875	347	950,454	(2,174,540)	142,136
Accrued expenses	264,600	-	-	-	264,600
Total current liabilities	<u>3,100,200</u>	<u>347</u>	<u>960,454</u>	<u>(2,174,540)</u>	<u>1,886,461</u>
NET ASSETS:					
Without donor restrictions	9,708,159	-	247,562	-	9,955,721
With donor restrictions	-	-	949,627	-	949,627
Common stock	-	100	-	(100)	-
Retained earnings	-	1,227,292	-	(1,227,292)	-
Total net assets	<u>9,708,159</u>	<u>1,227,392</u>	<u>1,197,189</u>	<u>(1,227,392)</u>	<u>10,905,348</u>
Total liabilities and net assets	<u>\$ 12,808,359</u>	<u>\$ 1,227,739</u>	<u>\$ 2,157,643</u>	<u>\$ (3,401,932)</u>	<u>\$ 12,791,809</u>

See the independent auditor's report on the supplementary information.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	National Ground Water Association, Inc.	National Ground Water Insurance Agency, Inc.	The Ground Water Foundation	Eliminations	Combined and Consolidated Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
REVENUE AND SUPPORT:					
Membership dues	\$ 1,402,968	\$ -	\$ -	\$ -	\$ 1,402,968
Convention and exposition	2,495,004	-	-	-	2,495,004
Course and conference registration	223,807	-	-	-	223,807
Books and proceedings	67,643	-	2,563	-	70,206
Advertising and related revenues	956,060	-	-	-	956,060
Grant revenue	276,976	-	-	-	276,976
Royalties	229,602	-	-	-	229,602
Other revenue and support	294,038	-	41,538	-	335,576
Contributions	-	-	44,347	-	44,347
Net assets released from restrictions	-	-	300,085	-	300,085
Total revenue and support	5,946,098	-	388,533	-	6,334,631
EXPENSES:					
Program services	3,412,595	40	366,860	-	3,779,495
Management and general	1,456,327	-	32,487	-	1,488,814
Total expenses	4,868,922	40	399,347	-	5,268,309
Change in net assets from operations	1,077,176	(40)	(10,814)	-	1,066,322
OTHER INCOME (EXPENSES):					
Investment loss, net of fees	(1,138,896)	-	(176,162)	-	(1,315,058)
Interest income	207,294	-	44,196	-	251,490
Loss on investment in subsidiary	(40)	-	-	40	-
Total other income (expenses)	(931,642)	-	(131,966)	40	(1,063,568)
Increase (decrease) in net assets without donor restrictions	145,534	(40)	(142,780)	40	2,754
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:					
REVENUE AND SUPPORT:					
Grant Revenue	-	-	51,888	-	51,888
Contributions	-	-	163,402	-	163,402
Other revenue	-	-	1,600	-	1,600
Net assets released from restrictions	-	-	(300,085)	-	(300,085)
Total revenue and support	-	-	(83,195)	-	(83,195)
OTHER INCOME:					
Investment loss, net of fees	-	-	(118,452)	-	(118,452)
Interest income	-	-	6,458	-	6,458
Total other income	-	-	(111,994)	-	(111,994)
Increase in net assets with donor restrictions	-	-	(195,189)	-	(195,189)
Change in net assets	145,534	(40)	(337,969)	40	(192,435)
NET ASSETS, beginning of the year	9,562,625	1,227,432	1,535,158	(1,227,432)	11,097,783
NET ASSETS, end of the year	\$ 9,708,159	\$ 1,227,392	\$ 1,197,189	\$ (1,227,392)	\$ 10,905,348

See the independent auditor's report on the supplementary information.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATE:

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	National Ground Water Association, Inc.	National Ground Water Insurance Agency, Inc.	The Ground Water Foundation	Eliminations	Combined and Consolidated Total
CASH FLOW FROM OPERATING ACTIVITIES:					
Change in net assets	\$ 145,534	\$ (40)	\$ (337,969)	\$ 40	\$ (192,435)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation	50,370	-	-	-	50,370
Equity in earnings of subsidiary	40	-	-	(40)	-
Gain on sale of property and equipment					
Net realized and unrealized gains on marketable securities	1,138,896	-	294,614	-	1,433,510
(Increase) decrease in operating assets:					
Receivables	(32,125)	40	(25,995)	(38,289)	(96,369)
Inventory	-	-	1,994	-	1,994
Prepaid expenses	(57,703)	-	-	-	(57,703)
Deposits	-	-	2,991	-	2,991
Increase (decrease) in operating liabilities:					
Accounts payable	(300,366)	-	1,865	38,289	(260,212)
Accrued expenses	(47,774)	-	-	-	(47,774)
Deferred revenue	54,399	-	10,000	-	64,399
Net cash provided by (used in) operating activities	951,271	-	(52,500)	-	898,771
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for the purchase of property and equipment	(65,000)	-	-	-	(65,000)
Proceeds from the sale of property and equipment	-	-	-	-	-
Payments for the purchase of marketable securities	(11,611,958)	-	(476,578)	-	(12,088,536)
Proceeds from the sale or maturity of marketable securities	10,238,831	-	219,212	-	10,458,043
Net cash used in investing activities	(1,438,127)	-	(257,366)	-	(1,695,493)
Net decrease in cash and cash equivalents	(486,856)	-	(309,866)	-	(796,722)
CASH AND CASH EQUIVALENTS, beginning of the year	3,191,406	-	608,820	-	3,800,226
CASH AND CASH EQUIVALENTS, end of the year	<u>\$ 2,704,550</u>	<u>\$ -</u>	<u>\$ 298,954</u>	<u>\$ -</u>	<u>\$ 3,003,504</u>

See the independent auditor's report on the supplementary information.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

	National Ground Water Association, Inc.	National Ground Water Insurance Agency, Inc.	The Ground Water Foundation	Eliminations	Combined and Consolidated Total
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 3,191,406	\$ -	\$ 608,820	\$ -	\$ 3,800,226
Marketable securities, at fair value	6,534,530	-	1,822,207	-	8,356,737
Receivables, net	1,329,581	1,223,779	47,735	(2,161,649)	439,446
Inventory	53,048	-	1,994	-	55,042
Prepaid expenses	121,397	4,000	-	-	125,397
Total current assets	<u>11,229,962</u>	<u>1,227,779</u>	<u>2,480,756</u>	<u>(2,161,649)</u>	<u>12,776,848</u>
PROPERTY AND EQUIPMENT, net	492,852	-	-	-	492,852
INVESTMENT IN SUBSIDIARY	1,227,432	-	-	(1,227,432)	-
DEPOSITS	6,320	-	2,991	-	9,311
Total assets	<u>\$ 12,956,566</u>	<u>\$ 1,227,779</u>	<u>\$ 2,483,747</u>	<u>\$ (3,389,081)</u>	<u>\$ 13,279,011</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES:					
Deferred revenue	\$ 1,415,326	\$ -	\$ -	\$ -	\$ 1,415,326
Accounts payable	1,666,241	347	948,589	(2,161,649)	453,528
Accrued expenses	312,374	-	-	-	312,374
Total current liabilities	<u>3,393,941</u>	<u>347</u>	<u>948,589</u>	<u>(2,161,649)</u>	<u>2,181,228</u>
NET ASSETS:					
Without donor restrictions	9,562,625	-	390,342	-	9,952,967
With donor restrictions	-	-	1,144,816	-	1,144,816
Common stock	-	100	-	(100)	-
Retained earnings	-	1,227,332	-	(1,227,332)	-
Total net assets	<u>9,562,625</u>	<u>1,227,432</u>	<u>1,535,158</u>	<u>(1,227,432)</u>	<u>11,097,783</u>
Total liabilities and net assets	<u>\$ 12,956,566</u>	<u>\$ 1,227,779</u>	<u>\$ 2,483,747</u>	<u>\$ (3,389,081)</u>	<u>\$ 13,279,011</u>

See the independent auditor's report on the supplementary information.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATE:
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	National Ground Water Association, Inc.	National Ground Water Insurance Agency, Inc.	The Ground Water Foundation	Eliminations	Combined and Consolidated Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
REVENUE AND SUPPORT:					
Membership dues	\$ 1,361,046	\$ -	\$ -	\$ -	\$ 1,361,046
Convention and exposition	1,868,355	-	-	-	1,868,355
Course and conference registration	272,187	-	-	-	272,187
Books and proceedings	56,465	-	3,577	-	60,042
Advertising and related revenues	933,005	-	-	-	933,005
Grant revenue	448,594	-	68,095	-	516,689
Royalties	220,528	-	-	-	220,528
Other revenue and support	305,872	-	29,911	-	335,783
Contributions	5,000	-	120,601	-	125,601
Net assets released from restrictions	-	-	35,634	-	35,634
Total revenue and support	<u>5,471,052</u>	<u>-</u>	<u>257,818</u>	<u>-</u>	<u>5,728,870</u>
EXPENSES:					
Program services	3,003,009	1,530	153,119	-	3,157,658
Management and general	1,447,935	-	24,976	-	1,472,911
Total expenses	<u>4,450,944</u>	<u>1,530</u>	<u>178,095</u>	<u>-</u>	<u>4,630,569</u>
Change in net assets from operations	1,020,108	(1,530)	79,723	-	1,098,301
OTHER INCOME (EXPENSES):					
Investment income, net of fees	569,260	-	102,189	-	671,449
Interest income	153,812	-	63,661	-	217,473
Net gain on sale of property and equipment	11,974	-	-	-	11,974
Income tax expense	(51)	-	-	-	(51)
Loss on investment in subsidiary	(1,530)	-	-	1,530	-
Total other income (expenses)	<u>733,465</u>	<u>-</u>	<u>165,850</u>	<u>1,530</u>	<u>900,845</u>
Increase (decrease) in net assets without donor restrictions	1,753,573	(1,530)	245,573	1,530	1,999,146
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:					
REVENUE AND SUPPORT:					
Contributions	-	-	213,500	-	213,500
Net assets released from restrictions	-	-	(35,634)	-	(35,634)
Total revenue and support	<u>-</u>	<u>-</u>	<u>177,866</u>	<u>-</u>	<u>177,866</u>
OTHER INCOME:					
Investment income, net of fees	-	-	83,452	-	83,452
Total other income	<u>-</u>	<u>-</u>	<u>83,452</u>	<u>-</u>	<u>83,452</u>
Increase in net assets with donor restrictions	-	-	261,318	-	261,318
Change in net assets	1,753,573	(1,530)	506,891	1,530	2,260,464
NET ASSETS, beginning of the year	7,809,052	1,228,962	1,028,267	(1,228,962)	8,837,319
NET ASSETS, end of the year	<u>\$ 9,562,625</u>	<u>\$ 1,227,432</u>	<u>\$ 1,535,158</u>	<u>\$ (1,227,432)</u>	<u>\$ 11,097,783</u>

See the independent auditor's report on the supplementary information.

NATIONAL GROUND WATER ASSOCIATION, INC. AND AFFILIATE:

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	National Ground Water Association, Inc.	National Ground Water Insurance Agency, Inc.	The Ground Water Foundation	Eliminations	Combined and Consolidated Total
CASH FLOW FROM OPERATING ACTIVITIES:					
Change in net assets	\$ 1,753,573	\$ (1,530)	\$ 506,891	\$ 1,530	\$ 2,260,464
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	57,415	-	1,961	-	59,376
Equity in earnings of subsidiary	1,530	-	-	(1,530)	-
Gain on sale of property and equipment	(11,974)	-	-	-	(11,974)
Net realized and unrealized (gains) losses on marketable securities	(569,260)	-	(185,641)	-	(754,901)
(Increase) decrease in operating assets:					
Receivables	(74,882)	1,530	(21,310)	60,741	(33,921)
Prepaid expenses	47,530	-	-	-	47,530
Increase (decrease) in operating liabilities:					
Accounts payable	421,275	-	95,552	(60,741)	456,086
Accrued expenses	167,050	-	-	-	167,050
Deferred revenue	(210,018)	-	(10,000)	-	(220,018)
Net cash provided by operating activities	1,582,239	-	387,453	-	1,969,692
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for the purchase of property and equipment	(47,081)	-	-	-	(47,081)
Proceeds from the sale of property and equipment	23,289	-	-	-	23,289
Payments for the purchase of marketable securities	(23,714,160)	-	(1,176,778)	-	(24,890,938)
Proceeds from the sale or maturity of marketable securities	23,793,772	-	1,110,903	-	24,904,675
Net cash provided by (used in) investing activities	55,820	-	(65,875)	-	(10,055)
Net increase in cash and cash equivalents	1,638,059	-	321,578	-	1,959,637
CASH AND CASH EQUIVALENTS, beginning of the year	1,553,347	-	287,242	-	1,840,589
CASH AND CASH EQUIVALENTS, end of the year	\$ 3,191,406	\$ -	\$ 608,820	\$ -	\$ 3,800,226

See the independent auditor's report on the supplementary information.

**NATIONAL GROUND WATER ASSOCIATION
BALANCE SHEET TREND**

	December 2015	December 2016	December 2017	December 2018	December 2019	December 2020	December 2021	December 2022
ASSETS:								
CURRENT ASSETS								
Cash & Cash Equivalents	2,192,591	3,131,889	2,547,811	2,370,968	2,293,864	1,840,589	3,800,226	3,003,504
Groundwater Fdn Investments	945,847	1,025,022	1,177,377	1,326,990	1,576,357	1,570,691	1,822,207	1,784,959
NGWA Investments	4,301,166	2,491,173	4,787,197	4,575,420	5,635,594	6,044,882	6,534,530	6,768,761
Accounts Receivable (net)	333,446	469,417	372,103	391,450	450,520	456,811	439,446	484,635
Inventory	63,279	66,008	52,817	54,811	55,042	55,042	55,042	53,048
Prepaid Expenses	184,113	162,580	164,805	157,285	171,252	172,927	125,397	183,100
Deferred Income Taxes	200	-	-	-	-	-	-	-
Total Current Assets	8,020,642	8,754,995	9,102,110	8,876,924	10,182,629	10,140,942	12,776,848	12,278,007
PROPERTY AND EQUIPMENT								
Land	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Building and Improvements	969,079	969,079	969,079	942,648	942,648	955,700	955,700	955,700
Furniture, equipment, library	1,291,442	1,291,442	1,314,140	395,990	343,876	346,169	397,145	397,145
Vehicles	19,151	19,151	19,151	19,151	19,151	22,863	47,081	47,081
Rental Films	15,201	15,201	15,201	-	-	-	-	-
Software - Business Pro	2,364,873	2,364,873	2,387,571	1,427,789	1,375,675	1,394,732	1,469,926	65,000
Less accumulated depreciation	1,646,610	1,714,003	1,779,172	751,325	799,994	878,270	977,074	1,027,444
Total Property and Equipment	718,263	650,870	608,399	676,464	575,681	516,462	492,852	507,482
COLLECTIONS								
	-	-	-	-	-	-	-	-
OTHER ASSETS								
Deposits	6,364	6,364	6,364	9,311	9,311	9,311	9,311	6,320
Total Other Assets	6,364	6,364	6,364	9,311	9,311	9,311	9,311	6,320
TOTAL ASSETS	8,745,269	9,412,229	9,716,873	9,562,699	10,767,621	10,666,715	13,279,011	12,791,809
Investment In NGWIA	1,262,482	1,253,518	1,253,518	1,253,518	1,253,598	1,231,202	1,231,202	1,231,202
	10,007,751	10,665,747	10,970,391	10,816,217	12,021,219	11,897,917	14,510,213	14,023,011
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable	393,297	314,359	288,188	231,945	424,619	48,728	453,528	142,136
Deferred Income Taxes	9,000	14,800	4,900	4,900	-	-	-	-
Accrued Expenses	125,985	273,608	146,956	242,126	234,766	145,324	312,374	264,600
Unearned Revenue	1,264,156	1,394,360	1,418,437	1,511,188	1,488,690	1,635,344	1,415,326	1,479,725
Total Current Liabilities	1,792,438	1,997,127	1,858,481	1,990,159	2,148,075	1,829,396	2,181,228	1,886,461
NET ASSETS	\$ 6,952,831	7,415,102	7,858,392	7,572,540	8,619,546	8,837,319	11,097,783	10,905,348

National Ground Water Association, Inc and Subsidiaries
 Combined Statements of Activities and Changes in Net Assets
 2012 - 2022

	2018	% of Revenue	2019	% of Revenue	2020	% of Revenue	2021	% of Revenue	2022	% of Revenue
Revenues										
Membership Dues	\$ 1,439,155	26.1%	\$ 1,465,600	26.3%	\$ 1,400,551	37.3%	\$ 1,361,046	23.0%	\$ 1,402,968	22.4%
Convention and Exposition	1,967,416	35.7%	1,921,424	34.4%	338,952	9.0%	1,868,355	31.6%	2,495,004	39.9%
Courses/Conferences	290,103	5.3%	228,940	4.1%	108,848	2.9%	272,187	4.6%	223,807	3.6%
Books and Proceedings (net)	48,101	0.9%	59,006	1.1%	26,968	0.7%	60,042	1.0%	70,206	1.1%
Advertising and Related Income	1,069,182	19.4%	1,060,674	19.0%	937,443	24.9%	933,005	15.8%	956,060	15.3%
Contributions/Support	158,434	2.9%	175,669	3.1%	132,583	3.5%	516,689	8.7%	207,749	3.3%
Insurance Program Fees	134	0.0%	-	0.0%	-	0.0%	220,528	3.7%	-	0.0%
Royalties	226,473	4.1%	241,136	4.3%	241,529	6.4%	335,783	5.7%	229,602	3.7%
Government Contract Revenue	66,341	1.2%	70,386	1.3%	151,840	4.0%	339,101	5.7%	328,864	5.3%
Miscellaneous Income	242,090	4.4%	356,874	6.4%	418,918	11.1%	-	0.0%	337,176	5.4%
	\$ 5,507,429	100.0%	\$ 5,579,709	100.0%	\$ 3,757,632	100.0%	\$ 5,906,736	100.0%	\$ 6,251,436	100.0%
				1.3%		-32.7%		57.2%		5.8%
Expenses										
Program and Direct Expense	\$ 3,677,763	66.8%	\$ 3,908,918	71.0%	\$ 2,469,099	44.8%	\$ 3,157,658	53.5%	\$ 3,779,495	60.5%
Management and General Expense	\$ 1,585,719	28.8%	\$ 1,781,989	32.4%	\$ 1,717,749	31.2%	\$ 1,472,911	24.9%	\$ 1,488,814	23.8%
Total Expense	\$ 5,263,482	95.6%	\$ 5,690,907	103.3%	\$ 4,186,848	76.0%	\$ 4,630,569	78.4%	\$ 5,268,309	84.3%
Operating Income (Loss)	\$ 243,947	4.4%	\$ (111,198)	-2.0%	\$ (429,216)	-11.4%	\$ 1,276,167	21.6%	\$ 983,127	15.7%
	461.5%		145.6%		-286.0%		397.3%		230.0%	
Other Income (Expenses)										
Investment Income	\$ (706,062)	-12.8%	\$ 968,915	17.4%	\$ 477,544	12.7%	\$ 754,901	12.8%	\$ (1,433,510)	-22.9%
Interest Income (Expense)	176,263	3.2%	189,289	3.4%	166,453	4.4%	217,473	3.7%	257,948	4.1%
Loss on building exchange and equipment disposal		0.0%		0.0%		0.0%		0.0%		0.0%
Estimated Software License Fees		0.0%		0.0%		0.0%		0.0%		0.0%
Bad Debt on FADW Notes Rec.		0.0%		0.0%		0.0%		0.0%		0.0%
Gain on Sale of Property		0.0%		0.0%	4500	0.1%	11,974	0.2%	-	0.0%
Income Taxes		0.0%		0.0%	(1,508)	0.0%	(51)	0.0%	-	0.0%
	\$ (529,799)	-9.6%	\$ 1,158,204	20.8%	\$ 646,989	17.2%	\$ 984,297	16.7%	\$ (1,175,562)	-18.8%
Increase (Decrease) in Net Assets	\$ (285,852)	-5.2%	\$ 1,047,006	18.8%	\$ 217,773	5.8%	\$ 2,260,464	38.3%	\$ (192,435)	-3.1%
	-164.5%		-466.3%		-79.2%		938.0%		-108.5%	
Net Assets - Beginning of Year	\$ 7,858,392		\$ 7,572,540		\$ 8,619,546		\$ 8,837,319		\$ 11,097,783	
Restatement - Restricted										
Net Assets - End of Year	\$ 7,572,540		\$ 8,619,546		\$ 8,837,319		\$ 11,097,783		\$ 10,905,348	



Section 7

Board Candidates

Meet Your National Board Candidates

Three candidates are running for three (3) vacancies on the NGWA Board of Directors. The candidates - in alphabetical order - are as follows.



1) Jeremy Bach (incumbent)

Jeremy Bach is the vice president of Bach Drilling Co. in central Washington State. His

family has been in the groundwater and well drilling industry for five generations. Having been a helper on drilling rigs since a young age, Bach has been a licensed driller in Washington for 24 years and a licensed pump installer since 2007. He is an active driller and is out on the rig or pump hoist almost every day.

Bach was president of the Washington State Ground Water Association from 2015-2018 and served on its board of directors the previous five years. He serves on the legislative committee, NGWA's northwest regional policy subcommittee, and is an alternate on the Technical Advisory Group for Washington State.

Why am I running for the board of directors?

Over the last four years of serving on the NGWA Board, I have seen how important it is to our industry. One example is at the start of the COVID shutdowns NGWA served as a beacon for everyone in the industry for information on our "essential job" classification. With all the new rules and shutdowns, NGWA's website had the information we all needed to continue work. This alone made me see how NGWA supported my livelihood and led the way in protecting members' day to day jobs during the shutdowns.

After being on the Board, you get to see how everyone does contribute to the overall decision-making process—it is not just a cliché. Every facet of the groundwater industry is represented by people who care enough to donate their time to a greater cause. For me personally, I will be out at a drill site and, on days that we have a meeting, I will shut down and get on a conference call. While most people think of this as a pain, I have come to look at it as my little bit of time giving to a greater cause. That cause being our groundwater industry. Everyone on the Board of Directors does this and more for the greater good of our industry.



2) Robert C. Keyes (incumbent)

Robert C. Keyes began his drilling career through a close friend in the summer of 1977.

From this humble start he

founded Associated Environmental Industries Corp., a full-service drilling company, in February 1992. After many years of leading this successful water well and environmental drilling company, he began purchasing environmental engineering and consulting firms (StanTech LLC, EQUUS Environmental LLC, and Genesis Environmental Solutions LLC) to offset the contracting side of the drilling business.

This move has become important to the stability of all his businesses and now lets him give back to the groundwater industry. He currently serves in the following positions: Board Director for the Oklahoma Ground Water Association, Chairman of the Oklahoma Water Resources Board's Contractor Advisory Council and the Oklahoma Corporation Commission's Storage Tank Advisory Council. The last two are both governor appointments.

Keyes began his first term as a Director for the National Ground Water Association at Groundwater Week, December 2016, and has served in many leadership capacities during all the turbulent changes in our world.

Why am I running for the board?

With 46 years of proven experience in drilling and 34-plus years in groundwater, my goals are to assist NGWA in protecting groundwater and the groundwater industry through technology, education, and legislation.



3) Chauncey H. Leggett, CWD/PI, CVCLD (incumbent)

Chauncey H. Leggett, CWD/PI, CVCLD, is a second-generation well driller. For 39 years he has been building his company into a full-service water well company. Chauncey is President of Lake Valley Well Co. Inc. His company drills rock wells, mud rotary wells, and geothermal wells. Lake Valley Well installs pump systems and water treatment in the residential, agricultural, and commercial markets.

Chauncey is a member of the North Carolina Ground Water Association. After serving on its board, he is now a past president of NCGWA. Chauncey is also a commissioner on the North Carolina Well Contractors Certification Commission and sits on the Review Committee.

He is also a long-time member of the National Ground Water Association. He serves on the government affairs committee and is chairman of the southeast regional policy subcommittee of the NGWA.

Why am I running for the board?

My hope of being re-elected as a Director of NGWA is to share my compassion for groundwater in this industry and beyond. All the Directors on this Board have worked hard on creating new tools which will aid in running an even more efficient and profitable business. Education at the newly created NGWA University will provide the tools needed today and will also contribute to those in the future who choose to practice in this great industry.

Continuing to be a Director of the NGWA Board would enable me to be in the position to promote those opportunities to the membership, well owners, lawmakers, and the public at large, which would truly be an honor. What better platform is there than NGWA to bring people together to become involved in providing, protecting, and preserving our most precious resource? Together we are truly better.

Manufacturers Section Board Candidate



There is one candidate for the secretary position on the Manufacturers Section Board. This elected individual will also serve as a director on the NGWA Board of Directors.

Chip Nelson is the director of sales for GEFCO, a Bauer Equipment America company. GEFCO, a world leader in mobile drill design and manufacturing, is headquartered in Conroe, Texas.

Nelson started his career at GEFCO in sales as a region manager in 1993. His industry knowledge dates to his father who worked in the drilling industry and his grandfather who was a pioneer in the early days of rotary drilling. With more than 30 years of professional experience, Nelson's product and customer knowledge makes him well known throughout the industry.

He served on the National Ground Water Association Board of Directors from 2004-2010 and served as the Manufacturers Division Chair during his time on the board.

Why am I running for the board?

I was asked to step up and I will because I support the groundwater industry and the National Ground Water Association.

Scientists and Engineers Section Board Candidates

There are two candidates running for the vice chair position on the Scientists and Engineers Section Board. The individual will also serve as a director on the NGWA Board of Directors.



Michael Cruikshank, PG CHG is a vice president and principal hydrogeologist at Water Systems Consulting in Laguna Hills, California, and was elected to the NGWA Scientists and Engineers Section Board of Directors in 2019.

He is a professional geologist and certified hydrogeologist in California and has more than 17 years of technical and project management experience. He has led projects in large stakeholder environments including the development and implementation of groundwater sustainability plans, salt and nutrient management plans, and the groundwater components of large water resource programs.

He began his NGWA journey as a college student under the mentorship of W. Richard Laton, Ph.D., PG, CPG, CHG, presenting his senior thesis at the 2006 Groundwater Summit in San Antonio, Texas where he won the Farvolden Award, which led to his first job in the groundwater industry. He has continued to engage with NGWA over the years through attendance and volunteer activities at many Groundwater Summit and Ground Week events and on committees.

He received his BS in geology and MS in civil engineering from California State University at Fullerton.

Why am I running for the board?

I am running for the position of vice-chair on the Scientists and Engineers Section Board with a primary goal to engage the next generation of emerging professionals and champion the groundwater industry as an exceptionally fulfilling career choice and advocate for sustainable groundwater solutions on a national scale. My past two terms as an SES director have been incredibly enriching. During this time, I've had the privilege to volunteer, collaborate, and become friends with prominent figures in the groundwater industry. Their insights and dedication have inspired me to deepen my involvement in NGWA.

NGWA is a unique organization that places a significant emphasis on fostering collaboration among contractors, manufacturers, suppliers, scientists, and engineers. This synergy is what makes a career in the groundwater industry exceptionally rewarding. I aim to continue nurturing this spirit of collaboration and growth as a director on the NGWA Board.



R. Jeffrey Davis, PE, CGWP is a licensed civil and environmental engineer and certified groundwater professional with almost 30 years of global experience working on every continent except Antarctica.

He currently serves on the board of directors for the NGWA Scientists and Engineers section. Davis has been involved in a number of groundwater litigation cases. He also has been involved in remediation projects throughout the country for most of his career and has spent many years working on coal combustion residual landfills and other waste impoundments.

He has developed and used numerous groundwater models for the mining and energy industries, including projects involving environmental impact statements, environmental assessments, water management, groundwater-surface water contamination, dewatering, and water supply and treatment. He has extensive knowledge of groundwater flow-and-transport principles and has taught numerous workshops and classes in the United States and around the world. His current focus is on water and groundwater sustainability and drought resiliency. Davis has extensive experience in the design and implementation of aquifer storage and recovery projects across the country.

Why am I running for the board?

I have been involved in NGWA activities since the early 1990s. From the early days of teaching groundwater and groundwater modeling principles to participating in a number of task force groups, my desire has always been to serve and to contribute to the advancement of knowledge and best practices.

I'm proud of my years of volunteer service with NGWA. I have enjoyed serving these past few years on the Scientists and Engineers Section Board of Directors and have learned a lot about the organization and its members.

One of my particular assignments has been to work with the Membership Committee. I believe we can turn our declining numbers around and grow our membership. It starts at the academic level in getting young professionals interested in our organization. Recently, we organized a young professional and it was a great success.



Section 8

Code of Regulations



Code of Regulations of National Ground Water Association, Inc.

ARTICLE 1. NAME

The name of this Association shall be NATIONAL GROUND WATER ASSOCIATION, INC. (NGWA), an Ohio non-profit corporation, hereinafter referred to as NGWA.

ARTICLE 2. MISSION

The mission of the NGWA shall be defined by the NGWA Board of Directors within the scope of these general principles: to enhance the skills and credibility of all groundwater professionals, develop and exchange industry knowledge, and promote the groundwater industry and understanding of groundwater resources.

ARTICLE 3. NOTICES

Unless otherwise specifically provided, any notice provided for in these Regulations or in Chapter 1702 of the Ohio Revised Code ("Notice") can be given by Authorized Communication Equipment as defined in Section 1702.01Q of the Ohio Revised Code or by written communication delivered personally, by United States mail, courier service or telegram.

ARTICLE 4. MEMBERSHIP

Section 4.1. Nature of the NGWA. The NGWA is a voluntary organization without capital stock. Its membership shall be composed of persons, employers, or organizations engaged in the groundwater industry professions who may from time to time be admitted to membership as prescribed by this Code of Regulations. Subject to the laws of the United States of America, membership in this organization will not be restricted in any way for reasons of race, creed, color, religion, sex, ancestry, age, or because of physical or mental handicap or because of the person's veteran status.

Section 4.2. Industry definitions. The term "groundwater industry" as used in this Code of Regulations embraces all industries and persons engaged in constructing or servicing groundwater-related well systems; studying, teaching or perfecting related technology; evaluating water resources; developing, modeling of, or remediating water resources; or manufacturing or supplying equipment to accomplish these tasks. Groundwater-related well means any excavation, regardless of design or method of construction, created for any of the following purposes: removing groundwater from or recharging water into an aquifer; determining the quantity, quality, level, or movement of groundwater in or the stratigraphy of an aquifer; and removing or exchanging heat from groundwater.

Section 4.3. Membership. The membership of the NGWA shall consist of Active, Associate, Retired/Emeritus, Life and Honorary Members, as well as Affiliate organizations.

Section 4.4. Active Members. The Active Members of the NGWA shall be divided into four sections, as follows:

a. Contractors Section. Any person or employer primarily engaged in the business of groundwater-related construction or service and/or pump installation or service or any individual enrolled in a high school, university, college, preparatory school or vocational education curriculum, public or private, studying subject matter embracing the groundwater industry.

b. Manufacturers Section. Any person or employer engaged in manufacturing equipment, materials or supplies used in the groundwater industry.

c. Suppliers Section. Any person or employer who does no contracting for the construction of groundwater-related wells and/or installation and servicing of water pumps, and which:

- i. is an established wholesaler maintaining a warehouse and stock of pumps, pump parts, and other water handling equipment which are sold regularly to dealers and/or contractors for resales; or
- ii. is engaged in the business of supplying equipment, rigs, tools or rendering specialized services to the groundwater industry from an established place of business in its trading area.

d. Scientists and Engineers Section. Any person or employer engaged in the supervision, regulation, evaluation, development, remediation or investigation of underground water or groundwater supply installations or related technology or any individual in a university, college or preparatory school, public or private, studying or teaching subject matter embracing the groundwater industry.

Section 4.5. Associate Members. Any person, employer or organization interested in the work of the NGWA who is not eligible to become an Active Member may become an Associate Member.

Any person whose application is received by the Chief Executive Officer or the Chief Executive Officer's assigned staff, properly completed, payment of whose annual dues is received and processed, and who meets the definition above is an Associate member of the NGWA upon being so notified.

Associate Members may not be organized into a Section of the NGWA. Associate Members are eligible to be Delegates.

Section 4.6. Retired/Emeritus Members. Persons who have been Active Members of the NGWA for a minimum of 20 years, are at least 65 years of age, and who, as a result of retirement, disability or other good cause, are no longer active in the groundwater industry may be granted Retired/Emeritus membership upon the recommendation of:

1. the Chief Executive Officer's review of appropriate application;
2. the Membership Committee; or
3. the Board of Directors of the Division of NGWA in which the Member had held membership, and with the consent of the board of Directors.

A Retired/Emeritus member is eligible to be a Delegate. Retired/Emeritus Members are not eligible to hold office.

Section 4.7. Life Members. Person of acknowledged eminence in the groundwater industry, or who have contributed some special service in the furtherance of the groundwater industry or to NGWA, and who are Active members of the Association at the time of their nomination for Life Member status may be elected to Life

membership upon recommendation of the Membership Committee and an affirmative vote of the NGWA Board of Directors.

Life Members shall retain all the privileges of Active Members as established by the NGWA Board of Directors, including serving as Delegates, and holding office.

Life Members are exempt from membership fees.

Life Membership is for individuals only, and not for their employers, or their employees. Should an individual honored with Life Membership also be the primary membership link for a firm's Association membership, then the employer must appoint a new primary in the place of the Life Member.

Section 4.8. Honorary Members. Persons of acknowledged eminence from outside the groundwater industry who have contributed some special service to the industry or to NGWA may be elected to Honorary membership upon the recommendation of the Membership Committee and an affirmative vote of the NGWA Board of Directors. Honorary Members are exempt from membership fees for life or until such time that an Honorary Member elects to become an Active Member and shall be entitled to all privileges and benefits as established by the NGWA Board of Directors, except for being a Delegate and holding office. Should an Honorary Member become an Active Member, then the Honorary status has been forfeited and may be restored only by action of the NGWA Board of Directors.

Section 4.9. Organizations. For the purposes of this Code of Regulations, organizations shall be any established and NGWA recognized organization representing the groundwater industry.

a. The NGWA Board of Directors shall recognize for assignment of delegates to the NGWA annual membership meeting only one (1) organization per state of the United States of America (U.S.A.),

- i. U.S.A. territory,
- ii. U.S.A. possession,
- iii. nation other than the U.S.A., or
- iv. political subdivision of a nation other than the U.S.A.

b. For organizations domiciled outside a U.S.A. state, territory or possession, they may be recognized as an Affiliate, so long as it is an organization representing the groundwater industry in the named political entity.

c. If the organization is not a nation-wide organization, but represents only a recognized political subdivision of a nation, that organization may be an Affiliate if no national organization exists that is already recognized as a national Affiliate.

d. The number of NGWA members domiciled in that political subdivision shall not be counted in the determination of that nation's remaining NGWA members used to determine delegate assignment for the NGWA membership annual meeting.

e. Only the organization granted Affiliate status is the NGWA member. Members of the affiliated organization who have not paid NGWA dues are not automatically granted NGWA member status.

f. Should a national organization seek Affiliation after a political subdivision organization has already been granted Affiliate status, the national association shall be recognized as an Affiliate in the next calendar year and the political subdivision organization shall no longer be eligible for Affiliate status.

g. Organization members are entitled to all privileges and benefits as established by the NGWA Board of Directors, except being a delegate and holding office.

Section 4.10. Application and eligibility

a. Any person, employer, or organization eligible for Active membership whose application is received by the Chief Executive Officer or the Chief Executive Officer's assigned staff, properly completed and whose annual dues are fully paid, shall be deemed an Active Member of the NGWA upon being so notified. An eligible person, employer, or organization shall be any person, employer, or organization meeting the qualifications set forth in the Code of Regulations and the written policies of the NGWA.

b. Any eligible person, employer, or organization whose application is received by the Chief Executive Officer or the Chief Executive Officer's assigned staff, properly completed, payment of whose annual dues are fully paid, and who is declared eligible for Associate membership in the NGWA by the Membership Committee, shall be deemed an Associate Member of the NGWA upon so being notified. An eligible person, employer, or organization shall be any person, employer, or organization meeting the qualifications set forth in this Code of Regulations and the written policies of the NGWA.

c. Any person who meets the requirements set forth by this Code of Regulations as either a Life, Retired/Emeritus, or Honorary member shall be deemed a Life, Retired, or Honorary member of the NGWA upon being so notified. An eligible person shall be any person meeting the qualifications set forth in this Code of Regulations and the written policies of the NGWA.

Section 4.11. Removal. Any person, employer, or organization shall be removed from membership in the NGWA if, by a two-thirds (2/3rds) vote, the NGWA Board of Directors determines that such person, employer or organization does not meet the qualifications for membership set forth in this Article; provided, however, that said person, employer, or organization has been provided at least thirty (30) days written notice detailing the alleged lack of qualifications for membership and has been afforded the right to a hearing before the Membership Committee and representation therein by counsel; and provided further, that said person, employer or organization may appeal a NGWA Board of Directors' decision adverse to it within 30 days after that decision has been communicated in writing to the person, employer, or organization in question, for consideration at the next NGWA Meeting of the Delegates and that such a decision is affirmed by the Delegates by not less than a two-thirds (2/3rds) vote thereof.

A written complaint, signed by two (2) or more Delegates or Directors of NGWA, shall initiate the process for hearing before the Membership Committee, opportunity for appeal, and vote by the Board of Directors if the matter has been referred to them for decision by the Membership Committee. Delegates signing a complaint shall have been Delegates recognized at the most recently held Meeting of the Delegates. The complaint must identify any alleged lack of qualification(s) for membership and contain specific reference(s) to the qualification requirement(s) contained in this Article that are alleged to be deficient. The complaint shall include specific reference contained in any other documents that supports the complaint, and copies of such documents shall be attached to the complaint unless the referenced documents are readily available to all the general public.

Nonpayment of dues shall be cause for automatic removal; provided that appropriate invoices have been sent to the member, and that at least thirty (30) days have been allowed for response.

ARTICLE 5. DUES

Section 5.1. Dues. Annual dues shall be prescribed by the NGWA Board of Directors. Benefits shall be established by the NGWA Board of Directors.

Section 5.2. Payment. NGWA shall collect dues covering a twelve (12)-month period from its Members. Notwithstanding any of the above, the NGWA Board of Directors may adjust all dues.

ARTICLE 6. MEETINGS

Section 6.1. Qualification of Delegates. No person shall be qualified to be a Delegate unless the person meets at least one of the definitions of eligibility found within this Code of Regulations. All Delegates must be at least 18 years of age on the date of the meeting.

The number of delegates that an Affiliate organization may be entitled to shall be determined from a count of the state's membership with NGWA sixty (60) days prior to the date of the annual delegates meeting. Each Affiliate organization is required to submit its list of the full names of intended Delegates to the NGWA Chief Executive Officer or the Chief Executive Officer's assigned staff for verification of eligibility no later than thirty (30) days prior to the published date of the Annual Meeting. This list must be submitted on official letterhead of the Affiliate organization and must be signed by the Affiliate organization's current President, President-elect, or Chief Executive Officer or equivalent office.

At any time during any part of the Delegate credentialing process only the current President, President-elect, or Chief Executive Officer or equivalent office, or an officially appointed and recognized proxy of an Affiliate organization are eligible to submit or remove name(s) of Delegates to the NGWA Chief Executive Officer or the Chief Executive Officer's assigned staff. A proxy is a document or some person that has been authorized by another person to act on the behalf of the first person who cannot be present to act on their own behalf.

For the purposes of serving as an Affiliate organization's delegation appointment authority, an Affiliate organization may designate a proxy to serve in place of either its Affiliate President, President-elect, and/or Chief Executive Officer or equivalent office, should none of them be available, so long as no less than thirty (30) days' notice of this appointment by one of the above named offices is provided in writing to the NGWA Chief Executive Officer or the Chief Executive Officer's assigned staff.

Should a dispute arise among an Affiliate Organization's President, President-elect, or Chief Executive Officer or equivalent office regarding a submitted Delegate, the NGWA Chief Executive Officer shall first defer to the Affiliate Organization's President. Should the Affiliate Organization's President be unavailable, the Affiliate Organization's President-elect shall resolve the matter. Should the Affiliate Organization's President-elect be unavailable, then the Affiliate Organization's Chief Executive Officer or equivalent office shall resolve the matter. If none of these individuals are available, then the NGWA Chief Executive Officer or the Chief Executive Officer's assigned staff is empowered to resolve the dispute.

After verification of each Affiliate organization's list of Delegates, the NGWA Chief Executive Officer, or the Chief Executive Officer's directed staff, shall provide Notice to the appropriate Affiliate organization confirming the status of each previously submitted Delegate name(s) at least thirty (30) days prior to the published date of the Annual Meeting.

Should a name submitted by an Affiliate organization to the NGWA Chief Executive Officer or the Chief Executive Officer's assigned staff not be eligible, the Affiliate organization shall be entitled to resolve the ineligibility issue(s) or to submit new name(s) up until a date no later than one (1) week prior to the published NGWA Code of Regulations, Amended by the Delegates December 5, 2018

date of the Annual Meeting. Should an Affiliate organization be unresponsive to this deadline, then the Delegate seats for the Affiliate organization shall be considered open and eligible to be assigned at the Annual Meeting.

When an Affiliate organization's delegation has not been assigned or verified in advance per the requirements of these Regulations, the delegation shall first be assigned at the Annual Meeting by the Affiliate organization's President, President-elect or Chief Executive Officer or equivalent office, or the officially appointed Affiliate proxy, who shall submit the name(s) of Delegates to the NGWA Chief Executive Officer or the Chief Executive Officer's assigned staff up until twenty-four (24) hours prior to the published start time of the Annual Meeting. Previously verified Delegates of an Affiliate organization that will not be present for the Annual Meeting may be replaced at this time.

Should, through a period ending no later than twenty-four (24) hours prior to the published start time of the Annual Meeting, an Affiliate organization be found by the NGWA Chief Executive Officer or the Chief Executive Officer's assigned staff to be in default on any financial obligation owed to the NGWA, then that Affiliate organization shall not be eligible to submit names of Delegates for seating at the Annual Meeting and the entire delegation shall then be considered open, despite any previous verification of Delegate eligibility or Delegate credentials issued.

Starting at twenty-four (24) hours prior to the published start time of the meeting and ending thirty (30) minutes prior to the published start time of the Annual Meeting, any remaining seat(s) of a delegation shall be assigned on a first-come, first-served basis by eligible NGWA members from the representative state or region. To be a Delegate on a first-come, first-served basis the individual's NGWA mailing address must be in that particular state.

No Delegate may be represented by written or voice proxy. Delegate qualification shall continue until thirty (30) minutes prior to the start of the Annual Delegates Meeting. An alternate Delegate may be registered, without the approval of the appropriate affiliate organization's officers or designated representative, as a Delegate at any time during any delegate registration period if the person's appropriate affiliate organization roster of eligible delegates is not complete.

Section 6.2. Powers and Duties. The Meeting of Delegates is authorized to represent the membership of the NGWA and is directed to express the will of the membership to the NGWA Board of Directors. The Meeting of Delegates shall:

- a. Elect the Directors to the NGWA Board of Directors;
- b. Amend this Code of Regulations from time to time;
- c. Review the actions of the Officers and of the NGWA Board of Directors; and
- d. Make decisions on all other lawful matters which may be brought before it.

Section 6.3. Annual Meeting. The Annual Meeting of the Delegates shall be held each year on such date and format as the President, with the advice of the NGWA Board of Directors, shall designate.

Section 6.4. Special Meetings. Notice of Special Meetings of the Delegates may be given by the President at the President's discretion and shall be given by the Chief Executive Officer upon receipt, in writing, of requests for a Special Meeting from twenty-five (25) percent of the Delegates recognized as such by the Chair of the most recently concluded Annual Meeting of Delegates.

Section 6.5. Notice. The Chief Executive Officer or the Chief Executive Officer's assigned staff shall give Notice to Members not less than twenty (20) nor more than forty (40) days prior to the date of each annual meeting and not less than ten (10) nor more than twenty (20) days prior to the date of any special meeting.

Section 6.6. Voting. Each Delegate shall be entitled to one (1) vote for each voting matter before the Meeting of Delegates.

Section 6.7. Quorum. The quorum of any meeting of the Delegates shall be (a majority) of the final number of eligible voting members as determined by the Chief Executive Officer.

ARTICLE 7. MANAGEMENT

Section 7.1. NGWA Board of Directors. The government, management, and control of the NGWA and its affairs shall be vested in a Board of Directors consisting of nine (9) Members of the Contractors Section, and three (3) Members each from the Manufacturers, Scientists and Engineers, and Suppliers Sections and the immediate Past President of the NGWA.

(a) The Scientists and Engineers, Contractors, Manufacturers, and Suppliers Sections may create their own internal administrative organizations which may function autonomously; provided, however, that the said Section must adhere to the policies of the NGWA on the following matters of policy:

- (i) Qualifications for membership;
- (ii) Dissemination of public information;
- (iii) Financial obligations to the NGWA; and
- (iv) Any other matter which the membership, at a meeting of the Delegates, may from time-to-time declare requires adherence.

(b) Each Section may develop subgroups under this membership designation with the approval of the NGWA Board of Directors.

Section 7.2. Eligibility. No person shall be eligible to be an Officer or Director unless the person is a Member in good standing of the NGWA and actively engaged in the groundwater industry. If any Officer or Director shall, during their term of office, cease to be a Member in good standing of the NGWA or cease to be actively engaged in the groundwater industry, the person shall thereupon cease to be an Officer or Director.

Section 7.3. Powers and Duties. The NGWA Board of Directors shall have power to establish policy for carrying on the work and government of the NGWA not inconsistent with this Code of Regulations; to elect the officers of the NGWA; to fill vacancies which may occur during the term of any Board member; to engage and discharge the Chief Executive Officer, and to fix the Chief Executive Officer's compensation; to have charge of all property and assets of the NGWA; and to do all other lawful acts necessary and proper to carry on the business of the NGWA.

Section 7.4. Responsibilities. The NGWA Board of Directors shall be responsible to the Meeting of Delegates for its conduct of the business and affairs of the NGWA and shall report to the Meeting of Delegates, at each Annual or Special Meeting thereof, the activities it has undertaken or directed the officers or the Chief Executive Officer to undertake.

Section 7.5. Quorum. A majority of the NGWA Board of Directors shall constitute a quorum and no meeting may be held without a quorum. An Interested Director (as defined in Section 7.14) may be counted in obtaining a quorum.

Section 7.6. Election. At each Annual Meeting of the Delegates, Directors shall be elected for a term of not less than two (2) and not more than three (3) years or until their successors are duly elected and qualified.

Any Director shall be eligible for re-election.

Vacancies occurring on the NGWA Board of Directors may be filled by majority vote of the remaining Directors, and shall be chosen from the membership of the Section by which the former Director was elected. Any Director elected to fill a vacancy shall serve the balance of the unexpired term of the former Director. Any person who is serving a term as Director and is then concurrently elected President-elect of the NGWA Board of Directors shall remain a member of the NGWA Board of Directors without further election as a Director until the person has resigned, been removed from office, or completed the term of the position of immediate Past President of the NGWA Board of Directors, whichever shall come first.

Should more than one director vacancy occur at the same time, then the Board must act to reduce the total director vacancies to no more than one within ninety (90) days of the occurrence of the second vacancy.

Section 7.7. Resignations. Any Director may resign by giving written Notice to the NGWA Board of Directors, President, Secretary, or Treasurer. Such resignation shall take effect at the time specified therein. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

Section 7.8. Removal of Director(s). Any Director(s) may be removed for fraud, felony, or abuse and/or sexual harassment of employed NGWA staff, at any time, by the affirmative vote of three-fourths (3/4ths) of the NGWA Board of Directors. Vacancies on the NGWA Board of Directors as a result of removal action shall be filled in accordance with the provisions of Section 7.6. Notices or waivers of Notices of such meeting shall have specified that such removal action was to be considered.

Section 7.9. Chairman of the NGWA Board of Directors. The President of the NGWA shall be Chairman of the NGWA Board of Directors and shall preside at all meetings of the NGWA Board of Directors.

Section 7.10. Meetings. The Annual Meeting of the NGWA Board of Directors shall be held within five (5) days before and/or five (5) days after the Annual Meeting of the Meeting of Delegates.

Special Meetings of the NGWA Board of Directors may be called by the Chairman, or by any two (2) Members of the NGWA Board of Directors, and shall be called within thirty (30) days by the Chairman upon the Chairman's or any two (2) directors' receipt of a written request interpreted by the Chairman to be related to the same topic from any three (3) Affiliate organizations recognized by NGWA in accordance with this Code of Regulations.

Section 7.11. Notice of Meetings. Notice of each Annual Meeting of the NGWA Board of Directors shall be given by the Chief Executive Officer or the Chief Executive Officer's assigned staff not less than ten (10) days before the date of the meeting. Notice of Special Meetings shall be given by the Chief Executive Officer, or the Chief Executive Officer's directed staff, at least five (5) days before the meeting. Each such Notice shall specify the purpose for which such Meeting, Annual or Special, is being held. Meeting of the NGWA Board of Directors may also be held upon waiver of Notice by all Directors.

Section 7.12. Place of Meetings. The Annual Meeting of the NGWA Board of Directors shall be held at such place, if any, as the Chairman shall designate. Special Meetings of elected members of the Board of Directors shall be held at such time and place, if any, as the Chairman may designate, but if in a place shall be limited to within the continental United States of America and Alaska.

Section 7.13. Executive Committee. The President, President-Elect, Secretary, Treasurer, and the respective Vice Presidents of the Contractors Section, the Manufacturers Section, the Scientists and Engineers Section, and the Suppliers Section of the NGWA shall constitute an Executive Committee which shall have full power and authority, to the extent permitted by law, in the government, management, and control of the NGWA and its affairs during the intervals between meetings of the NGWA Board of Directors. The immediate Past President of the NGWA shall be an ex officio member without vote of the Executive Committee. In no event, however, shall the Executive Committee have authority to amend the Articles of Incorporation, amend or repeal the Code of Regulations, elect or remove officers of the NGWA (unless an officer vacancy not caused by action of full Board occurs during the course of an officer's term), adopt a plan of merger or a plan of consolidation, or to sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of the property or assets of the NGWA.

Section 7.14. Interested Director. An "Interested Director" is a Director who has a direct or indirect pecuniary interest, other than as an officer or director of NGWA, in a matter in which NGWA is a party. A "Matter of Interest" is when a Director has a direct or indirect pecuniary interest, other than as an officer or director of NGWA, in a matter in which NGWA is a party. An Interested Director, if present at a Board meeting where a Matter of Interest is discussed, may be required by the Chairman of the Board to recuse himself from such discussion or vote thereon.

ARTICLE 8. OFFICERS

Section 8.1. Designation, Election, and Terms. The officers of the NGWA shall be a President, President-Elect, four Vice Presidents, a Secretary and a Treasurer, and it is provided that the same person may hold simultaneously the offices of Secretary and Treasurer. Each of the four (4) membership sections represented on the Board shall each have only one of its NGWA Board directors elected to one (1) of the four (4) Vice President positions. The officers shall be elected by the NGWA Board of Directors at the first meeting of the NGWA Board of Directors following the conclusion of the scheduled annual Delegates Meeting and shall serve until the next meeting of the NGWA Board of Directors following the next scheduled annual Delegates Meeting, or until a successor or successors is or are duly elected and qualified.

Section 8.2. Duties of the President. The President shall be the executive officer of the NGWA and shall preside at all meetings of the NGWA Board of Directors. The President or the President's designate shall preside at all meetings of the Delegates. The President shall have voting rights in meetings of the NGWA Board of Directors per the guidelines set forth in the most current edition of the Modern Rules of Order. The President shall be Member ex officio with the right to vote on all NGWA standing committees and an ex officio without the right to vote of the Board of Directors of each Section. The President shall have such other duties and authority as usually pertain to that office and as may be conferred upon him by the NGWA Board of Directors from time to time.

Section 8.3. Duties of the President-Elect. The President-Elect shall, in the absence of the President, perform the duties of the President. The President-Elect shall familiarize himself with the duties of the President and shall assume that office at the completion of the incumbent President's term of office. The President-Elect shall perform such other duties as the President or the NGWA Board of Directors may from time to time direct.

Section 8.4. Duties of the Vice Presidents. The Vice President elected from the Contractors Section membership of the NGWA Board shall, in the absence of the President and the President-Elect, perform the duties of the President. The Vice President elected from the Contractors Section shall preside over the annual meeting for Contractors Section members held during the NGWA's Annual Convention. Each Sectional Vice

President shall perform such duties as the person may from time to time be directed by the President or the NGWA Board of Directors.

Section 8.5. Duties of the Secretary. The Secretary shall perform such duties as the President or NGWA Board of Directors may direct, and shall perform such other duties as usually pertain to that office. The President may, at the discretion of the office, assign the Secretary to preside over the Meeting of Delegates.

Section 8.6. Duties of the Treasurer. The Treasurer shall perform such duties as usually pertain to that office, and such other duties as the President or the NGWA Board of Directors may from time to time direct.

Section 8.7. Resignations. Any officer may resign by giving written Notice to the NGWA Board of Directors, President or the Secretary/Treasurer. Such resignation shall take effect at the time specified therein. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

Section 8.8. Removal of Officer(s). Any officer(s) may be removed at any Board of Directors meeting for fraud, felony, or abuse and/or sexual harassment of employed (NGWA) staff by the affirmative vote of three-fourths (3/4ths) of the total NGWA Board of Directors. Notices or waivers of Notices of such meeting shall have specified that such removal action was to be considered.

Section 8.9. Vacancy. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, shall be filled in the manner prescribed for regular election to such office.

ARTICLE 9. COMMITTEES

Section 9.1. Standing Committees. The Standing Committees of the NGWA shall be as follows:

- (a) Executive Committee,
- (b) Finance & Budget Committee,
- (c) Government Affairs Committee,
- (d) Membership Committee,
- (e) Past Presidents Committee, and
- (f) Policy & Code of Regulations Committee.

Section 9.2. Other Committees. Other Committees may be appointed or removed as are determined necessary by the President or the NGWA Board of Directors.

Section 9.3. Duties. Committees shall perform such duties as the President or the NGWA Board of Directors may from time to time direct.

Section 9.4. Committee Membership. The President shall appoint the Members of all Committees of the NGWA, with the exception of the Executive Committee, whose membership is specified in Section 7.13 of this Code of Regulations. Committees serving only sectional interests may be appointed by the Vice President of each respective Section.

ARTICLE 10. CHIEF EXECUTIVE OFFICER

Section 10.1. Designation. The Chief Executive Officer shall manage the NGWA's administrative and financial affairs at the direction of the NGWA Board of Directors.

Section 10.2. Duties. The Chief Executive Officer shall perform such duties as assigned by the Board of Directors.

ARTICLE 11. INDEMNIFICATION

Section 11.1. Indemnification. The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director, employee, or agent of the corporation against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.

This Article constitutes a contract between the corporation and the indemnified officers, directors, and employees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer, director, employee, or agent under this Article shall apply to such officer, director, employee, or agent with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

ARTICLE 12. AMENDMENTS

Section 12.1. Power. This Code of Regulations may be amended by a two-thirds (2/3rds) vote of the eligible Delegates attending any properly convened meeting.

Section 12.2. Presentation.

(a) Amendment via Board of Directors. Amendments to this Code of Regulations may be proposed by the NGWA Board of Directors; provided, however, no amendment may be considered by the Meeting of Delegates unless written Notice of it is given to the Chief Executive Officer not less than forty-five (45) days before the date of the meeting at which consideration of the proposed amendment is sought.

(b) Amendment via Petition. Amendments to this Code of Regulations may be proposed by written petition bearing the proposed change and bearing signatures of at least one hundred (100) active members of NGWA, who are active members at the time of their signing, and at the time of the filing, of the petition; or, by written petition bearing the proposed change and bearing the Presidents' signatures of at least five (5) Affiliate organizations certifying that a majority vote taken of their organizations supports the petition. Such petition shall be filed in writing via Certified U.S. mail with the Chief Executive Officer not less than forty-five (45) days before the date of the meeting at which consideration of the proposed amendment is sought.

Section 12.3. Notice. Notice of any proposed amendment to this Code of Regulations shall be given by the Chief Executive Officer, or the Chief Executive Officer's assigned staff, to Members not less than twenty NGWA Code of Regulations, Amended by the Delegates December 5, 2018

(20) days before the date of the meeting at which consideration of the proposed amendment is sought. This Notice shall contain a brief summary of the purpose of the Amendment and website link information and NGWA phone, fax, postal address, email address, and contact person from whom a verbatim copy may be requested. The text of the Amendment shall be delivered to the Member by Authorized Communications Equipment, in writing and delivered by United States Mail or courier service, or by posting on the NGWA website or published in the Member newsletter during the notice period.

Section 12.4. Modifications. Any proposed amendment, meeting the requirements of this Article, may be modified by the Delegates during their consideration of the proposed amendment; provided, however, that modifications shall be minor in nature and not materially change the general character of the proposed amendment from what the Members were notified of in advance for their consideration.

Section 12.5. Compliance with Law. No amendment to these Regulations shall be adopted which is inconsistent with or contrary to the provisions of the State of Incorporation of the Association, and any effort or attempt to do so will be void and ineffective.

ARTICLE 13. PARLIAMENTARY PROCEDURE

Section 13.1. Rules of Order. The meetings of bodies of the NGWA shall be conducted in a fair and impartial manner by the President or other presiding official pursuant to this Code of Regulations. Matters determined by the President or other presiding official not to be provided for in this Code of Regulations will be resolved by reference to the most current edition of the Modern Rules of Order. In the event of a conflict between this Code of Regulations and the Modern Rules of Order, this Code of Regulations will govern. When questions arise in a Meeting of Delegates, resolution will be found in the then most current edition of Modern Rules of Order.

Section 13.2. Rulings on Order. Meetings shall be presided over by the then current Secretary of the NGWA Board of Directors and shall hold the final authority on procedural matters.

ARTICLE 14. AUTHORIZED COMMUNICATIONS EQUIPMENT

Section 14.1. Adoption of Use of Authorized Communications Equipment. NGWA is permitted to use Authorized Communications Equipment, as defined in Section 1702.01(Q) of the Ohio Revised Code, to allow attendance and participation in NGWA Director or Delegate meetings; give a copy of any document or transmit any writing required or permitted under Chapter 1702 or these Code of Regulations; to vote; or any other use set forth in Chapter 1702 or this Code of Regulations.

